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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Step up war on Smith-Zambia

As militant African nationalists raised the possibility of Cuban involvement, Zambia yesterday urged Rhodesian nationalists to step up the war against Rhodesia.

Mr. Steve Mwahele, Zambian Foreign Minister, said Mr. Ian Smith's rejection of British proposals for a settlement was an open invitation to the freedom fighters to intensify the war.

Black Rhodesians were urged to revolt against the Smith regime and resort to acts of sabotage to liberate themselves.

In Lusaka, the Zambian capital, nationalists claimed that Cuban military advisers were already more active in training guerrillas in Patriotic Front camps.

Mr. Ivor Richard, chairman of the failed Geneva conference, remaining in southern Africa for a few days. Back Page. The military option. Page 6. Parliament. Page 14. Feature. Page 16

Idi has a kind word for Enoch

In an ITN interview President Amin of Uganda yesterday congratulated Mr. Enoch Powell on not wanting England to be colonised by Africa or Asia.

London should be for Londoners, Scotland for the Scottish, Wales for the Welsh—and Uganda for Ugandans he said.

The Office of Population Censuses and Surveys reported yesterday that the proportion of births to mothers born overseas has shown a steady increase in recent years, rising from 11.3 per cent in 1971 to 11.9 per cent in 1975.

In some cities nearly one-third of births in 1975 were to mothers born outside the U.K. In London borough of Brent it was 64 per cent.

IRA 'saw Heath as fair game'

Continuing the case for the Crown in the Balcombe Street siege trial at the Old Bailey, Mr. John Mathew, said that, interviewed by police, one of four Irishmen accused, had referred to Mr. Edward Heath, the former Prime Minister, as "fair game."

Ulster setback

Government hopes that some movement in Ulster's constitutional deadlock might stem from Unionist discussions on the merits of simple administrative devolution were set back yesterday when the official Unionist Party appeared to shy away from the idea in the interest of party unity.

Sakharov warned

Soviet dissident Dr. Andrei Sakharov said in Moscow that he had been warned by a prosecutor that he might be brought to trial if he did not stop making statements which the authorities regarded as "hostile, slanderous, and criminal."

Briefly . . .

Sir Max Aitken, 66, chairman of Beaverbrook Newspapers, has been advised to take a complete rest for at least six weeks.

Mr. Peter Male, 56, is to become Britain's ambassador in Czechoslovakia.

Mr. Kenneth Robinson, chairman of London Transport, is to succeed Lord Gibson as chairman of the Arts Council.

Britain's John Conteh is to defend his world lightweight title against Miguel Cuello, Argentina, in Liverpool on March 5.

Sweden has approved OPEC's request to hold a conference in Stockholm on July 12.

BUSINESS

Gilts gain ground; gold mines weaker

GILTS gained ground, encouraged by interest rate trends. Rises ranged to 3 in



short-dated stocks and in mediums and longs. FT Government Securities Index rose 0.14 to 64.56.

EQUITIES tended to fade, the FT 30-Share Index closing at 377.3, off 0.1 for a three-day loss of 9.2. South African issues were weak. Gold Mines fell 4.0 to 101.2, the lowest since September.

STERLING gained 9 points to close at 181.719. Its trade-weighted depreciation narrowed to 43.4 (42.6) per cent; dollar's narrowed to 0.97 (1.16) per cent.

GOLD rose \$1.50 to \$134.125. The IMF will hold its sixth gold auction to-day. Page 6.

WALL STREET was up 3.15 at 988.75 near the close.

ANGLO-SOVIET trade grew by nearly half last year, but the chronic imbalance in favour of the Russians increased even more sharply, partly because of U.K. purchase of Soviet oil. Page 7.

Electricity Board seeks assurances

CENTRAL ELECTRICITY Generating Board has offered to order a new plant at Drax in four possible stages over five years from 1978, if it is assured that the equipment will be built on time and to the price and performance specified. Back Page.

COAL BOARD now estimates that the Vale of Belvoir could yield as much as 500m. tons of coal. It has outlined plans for four possible mine sites, giving rise to further protests from resident groups. Page 10.

GOVERNMENT has signed off four State participation deals with Mobil and Texaco. Page 10. Both U.K. yards building concrete platforms for North Sea oilfields are likely to have to pay off nearly all their workers by autumn, with the loss of up to 2,800 jobs. Page 10.

BUILDING output is likely to fall by a further 3 per cent this year and the recession in the industry is expected to continue next year. Page 8. House prices could start to rise more rapidly by the spring, according to the Abbey National building society. Page 10.

STRIKERS at Massey Ferguson called off their occupation of a High Court injunction granting company repossession. Back Page.

AMERICAN group J. I. Case, a subsidiary of Tenneco, is to buy a 40 per cent stake in the French company Poelain, the world's leading manufacturer of hydraulic excavators. The French Government's bid to find a French solution to Poelain's problems has failed. Back Page and Page 22.

COWAN DE GROOT made higher pre-tax profit of £0.72m. (£0.56m.) on sales of £11.7m. (£9.4m.) in the first half. Page 18.

CHIEF PRICE CHANGES YESTERDAY

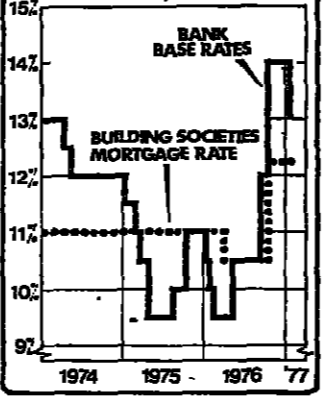
(Prices in pence unless otherwise indicated.)	
Treasury 10 1/2 1978	290 + 7
Treasury 14 1/2 1982	1103 + 4
A.C.E. Machinery	84 + 4
Carr's Milling	42 + 6
Dolan Packaging	94 + 4
Dunford & Elliott	63 + 9
F.H.C. Holdings	77 + 2
Gold Fields Prop.	58 + 5
Haslemere Estates	131 + 6
Norwest Holst	84 + 4
Rush & Tomkins	59 + 4
Samuel Props.	47 + 3
Sandeman	139 + 4
S.E.E.T.	21 + 6
Spirax Sarco	147 + 5
Standard Trust	125 + 10
Sunley (B.)	123 + 8
Whitecroft	139 + 4
Wilkinson Match	162 + 10
Assoc. Dairies	212 + 5
Beaver Group	28 + 4
Hawthorn Leslie	73 + 7
Henderson-Renton	38 + 4
Lonrho	74 + 6
M.L. Holdings	30 + 8
Reynolds Parsons	130 + 6
W.G.I.	50 + 5
Bishopsgate Plat.	65 + 5
Charter Cong.	228 + 10
Cong. Gold Fields	147 + 9
De Beers Dfd.	104 + 10
Elsburg	68 + 6
Kloof Gold	235 + 20
Libanon	195 + 20
Pangloss	60 + 5
R.T.Z.	181 + 10
West Driefontein	151 + 7

Cheaper borrowing as banks reduce base rates to 13%

BY MICHAEL BLANDEN

The cost of bank loans is being cut following the decision by the big banks yesterday to reduce their base rates by 1 per cent. to 13 per cent.

The move came against the background of a further lowering of interest rates in the money market and the fact that there will be another cut on Friday in the Bank of England's minimum lending rate.



It is the first reduction in the cost of bank overdrafts since base rates were lifted to 14 per cent. last year in the wake of the official decision to increase the minimum lending rate to its peak 15 per cent. as part of the emergency measures to bring money supply under control.

The drop of 1 per cent. will be welcome to industrial borrowers in particular, for whom the high cost of money has been a major factor holding back new investment.

The decision will mean that the cost of overdrafts to the top-quality blue-chip industrial borrowers will come down to 14 per cent. with other bank customers paying 15-18 per cent. for loans.

But there is no question of any reduction of building society rates in the near future.

Appeals for calm after violence in Spain

BY ROGER MATTHEWS

THE SPANISH Government yesterday after being hit by a police smoke bomb fired at close range during a demonstration. Another student was killed the day before when he was shot in the back by a man believed to be a member of an extreme Right-wing organisation.

Officials described the mood of the Government as "tense but calm," as Prime Minister Adolfo Suarez called in his deputy, Lt.-Gen. Gutierrez Mellado, the other three military Ministers and the Interior Minister for urgent consultations.

The group repeated its conditions for the release of its two prisoners: that the Government should make a public promise to release all its political prisoners, and immediately release 15 named prisoners.

British Rail pension funds may bid for investment trust

BY CHRISTOPHER HILL

THE British Rail pension funds are planning a £30m. bid for Standard Investment Trust, a member of the Touche Remnant Group.

This is the first important bid by a pension fund for an investment trust and is the largest bid for any investment trust since the takeover of Metropolitan Trust by Guardian Royal Exchange in 1973.

Behind the bid lies the funds' desire for a substantial investment in equities at a time when, according to many investment managers, there is a relative shortage of stock in the U.K. market suitable for institutional investors.

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Few back worker directors by law

BY RHYD DAVID

THE PRINCIPLE of worker directors on the Boards of large companies enjoys broad support from the majority of employees in industry.

Opinion among employees is firmly for election of worker directors by all employees, and not, as the Bullock Committee report would recommend, through the trade unions.

Half knew

The survey of a quota sample of 743 adult workers on January 18 and 19, found that half those interviewed knew the Government was considering legislation in industrial democracy.

Indication

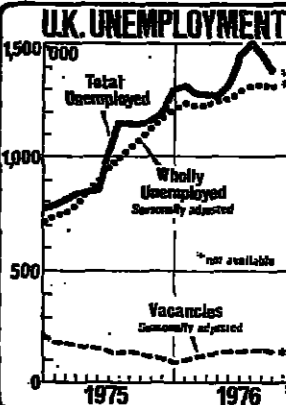
An estimate was published in December based on returns from about half the country which indicates a rise of 15,300 in the last month to the current seasonally adjusted adult total.

Continued on Back Page

Jobless total at peak of 1.34m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ADULT unemployment in the U.K. has risen by nearly 40,000 in the last three months to a new post-war peak and Mr. James Callaghan, the Prime Minister, warned in the Commons yesterday that no improvement could be expected for some time.



The possible threat this could pose to the forthcoming talks on the next stage of the pay policy was spelt out yesterday by Mr. Ken Murray, the TUC General Secretary. He said that the Government's insistence that an explicit target for a reduction in unemployment must be made part of any new deal with the Government.

Continued on Back Page

Continued on Back Page

Bullock controversy Page 14

Continued on Back Page

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LOMBARD

Suppressing the housing debate

BY ANTHONY HARRIS

JUST A YEAR has now passed since the date promised by Mr. Anthony Crosland for the publication of the fundamental review of housing finance which he commissioned when he took office. Since then, of course, he has moved to the Foreign Office, and Mr. Peter Shore has succeeded him. Mr. Shore has announced that he wants to make the review wider - a plausible excuse for still failing to publish it; meanwhile, he has already taken steps to alter the direction of policy, concentrating more resources on inner city areas (such as his constituency). Action without policy.

Asks questions

A cynical optimist might suppose that this was one of the facts, or rather theories, set out in the suppressed Review, but so far as I have been able to gather, you cannot altogether suppress such matters of opinion - it is not. It looks as if Mr. Shore should have been pressing for a review which was deeper rather than wider. If only Mr. Crosland had any understanding of finance, or Mr. Shore showed any interest in housing, they might at least ask the right questions.

His experts

In short, if what I have heard about the review is fair, Mr. Shore can expect to be the minister who presides over the collapse not only of the private rented sector, but of much of the housebuilding industry; and his experts will not have told him why this is happening. Meanwhile, their learned thoughts on demographic and regional demand, possible reforms of housing management and the rest have all the urgent relevance of a study of Aramaic grammar.

But this is enough of abusing what have not read. The much-anticipated review is the continued suppression of the review itself. Mr. Crosland may have hoped to open up the important questions; instead, he has virtually stifled debate on housing policy during the worst crisis in the industry since the late 1960s. This is not only a great waste of material but because a wide selection of the most vocal experts remain gagged by the Official Secrets Act as long as the study goes on. On these terms, policy studies become the domain of policy. Publish or be damned.

TV Radio

- Wales - 1.18-2.33 p.m. I Gogion. 5.45 News. 5.55 Nationwide (London only). 6.30 Nationwide. 6.45 Holmes and Yoys. 7.10 The Goodies. 7.25 Rosie. 8.10 Kojak. 8.25 News. 8.35 The Secret War. 9.15 Sportsnight: European Figure Skating Championships. 11.05 Tonight. 11.45 Weather/Regional News. All Regions as BBC 1 except at the following times: -

F.T. CROSSWORD PUZZLE No. 3289

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

ACROSS 1, 4 My goodness get the match going (6, 1, 5) 8 Prickily turn taken before tea break (7) 9 Vegetable offering average bargain (7) 11 Screws up courage and wins the trick maybe (5, 5) 12 Are you literally next to type? (4) 13 Minister beheaded for crime (5) 14 Professional hoping to make a spectacular flop (8) 16 Infernal dog watcher could make BR secure (8) 18 Piango student to help produce patterned cloth (5) 20 Stick to pale daughter (4) 21 Art of politician needs (10) nationalised shipping (10) 23 Shots at Lords make butterfly trail (7) 24 Dance to Light Cavalry (7) 25 Free to study having hopped on a bus (6) 26 Method for Surrey to check (6) DOWN 1 Eat with artist above (5) 2 Football team from Texas (7) 3 Cook-general in first world war? (9) 5 Inclined to spare Turkish leader (5)

GARDENS TO-DAY

Big gardens and their little treasures

BY ROBIN LANE FOX

IF YOU dislike gardening, the Manor offers them both, together with a good small selection of old roses, a rampant wild rambler peculiar to the garden, such half-hardy surprises as Hebe huksana, the very best of all pale lavender Hebes, and a nice line in Campanulas. By buying the plants, you support the garden.

Famous

More than ever before, they can look to large private gardens which are compelled to sell plants in order to maintain their standards. Often, these plants are the distinction of a particular garden: you can see them at maturity and then buy them. East Lambrook Manor Gardens, near Petherton in Somerset were made famous by the books of Margery Fish: the plants she describes can now be visited in their full development, massed thickly in the informal style of country gardening which she practised. They can then be ordered from the nursery which is still run with the gardens, a source of such useful plants as the glaucous leaved Ottonopis, an excellent edging plant, easily maintained on cuttings, or some of the many good violets whose loss is periodically lamented in this column. The nursery will handle inquiries by post.

Rare beauties

At present, they have a small stock of variegated Day Lilies, a Hypericum called Beliam whose leaves smell of oranges, two Lavenders called Denata and Pucata which are quite unobtainable, something called Tolobgia Panchelias, which I cannot even identify, and a good selection of Cistus. The garden is in a mild area, so some of its spare plants may not be suited to your climate. It does list the greenhouse plant for which I receive more inquiries from you than for any other: the Incense Plant, or Humea Elegans, is on offer. Already raised from the seed which is becoming elusive and is none too easy to raise. It makes a fine pot plant and its tassels of small red-brown

RACING

BY DOMINIC WIGAN

Richards' treble chance

GORDON RICHARDS has been having a lean time recently by his own high standards, but his horses are beginning to find their form. This afternoon's Racecourse Club Concession Day programme at Carlisle could see him enjoying some success. Here I hope to see the 46-year-old trainer from Penrith achieve at least three victories with his powerful Greystoke team. The first Richards' representative to take the field is Cromwell Road, who bids for this third course victory in the opener, the two miles Hayton Chase, 1.00. A tough and consistent seven-year-old ideally suited to year-to-day minimum trip on yielding ground. Cromwell Road has been more than paying his way recently. A reproduction of the form that saw him running Skyrne to three quarters of a length at level weights in the Castleford Chase at Wetherby on Boxing Day will probably see him adding another £500 to his winnings. I take him to score at the chief expense of the Ken Oliver trained Cantastar, a formidable opponent at his best. An hour after the Rayon course, Richards and his stable boss, Jonjo O'Neill, rely on another course specialist, Lord

TENNIS

Laver's magic touches too rare

THERE WERE three inches of snow on the ground in Philadelphia yesterday and the gas stoves of Pennsylvania were being exhorted to turn their central heating systems down to 65 degrees. But inside the drafty quarters of the 17,000-seat Spectrum Arena the early stage of a championship tennis match between John Alexander and the No. 7 seed achieved his 4-6, 6-0, 6-1 win. The result was as inevitable as the march of time. "I get mad at my shots now," said Laver after the match. "I know where I want them to go and I get mad at them when they don't go there." Similar problem. The No. 3 seed, Ili Nastase, was having a similar problem against Corrado Barazzutti of Italy, whose solid but unswung wins against John Alexander (Australia) and Jaime Fillo (Chile) contributed greatly to his country's first success in the Davis Cup last month. Three times in the first set the Romanian lost his serve with fumbling volleys and mishit drives of which the least experienced young professional would have been ashamed. Barazzutti was not playing particularly well himself, but he was allowed to recover from 2-4 in the second set to 5-5 and from 2-4 to 3-3 in the third set. In the fourth set point as the unhappy Nastase gestured to his umpire, linesmen and spectators

WORLD CUP SKIING

Looking for consistency

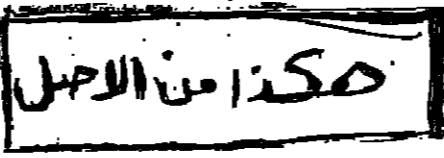
THE RESULTS of the women's downhill race in Crans-Montana, Switzerland, yesterday, the latest in the World Cup series, were greeted with sighs of envy by British ski officials in London. Not because of the absence of British names, but simply thanks to the unerring way in which the top five skiers manage to turn in such consistent performances. By lowlander standards the British are quite good at skiing, but for some reason their racing performance is erratic, remarkable successes followed by crushing disappointments. Other teams do not seem to have such a problem. Yesterday there were the familiar Alpine wonder girls - Brigitte Habersatter (Austria), who finished 20th, and the finished 26th. But such is the lead she has already built up with slalom victories that her name remains at the top of the Cup ratings. She should increase the margin over her rivals during the next two days of racing. World Cup standings (women): 1. Lisman Mercur, 145 pts; 2. Annetta Moser-Proell, 139; 3. Brigitte Habersatter, 136. World Cup standings (men): 1. Lennart Peterson, 145 pts; 2. American Mike Smith, 129; 3. American Mike Smith, 129.

SALEROOM

Great Seal drops its incognito

A GREAT SEAL of England, which sold yesterday, nicely at made of silver and in use the top end of the forecast in between 1860 and 1878, was sold at Christie's yesterday for £3,000, which totalled £68,778, only one it was bought by the London dealer Baldwin. Great Seals rarely come on to the market, although, ironically, this one was offered at Sotheby's, Belgravia last year in an item of silver, which was unrecognised, and sold for £240. By tradition the Seal becomes the property of the Lord Chancellor at its deplacement, in this case Earl Cairns. Again by tradition he gives one of the two faces offered at Sotheby's, Belgravia to his immediate predecessor in office, who was Lord Selborne, and the other to the British Museum. The seal was the reverse side, and the other to the British Museum. The seal was the reverse side, and the other to the British Museum. The seal was the reverse side, and the other to the British Museum.

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Elizabeth Hall

Brendel

by DOMINIC GILL

Admirers of Brendel—or I could say rather fans or aficionados, for no one can fail to admire Brendel's extraordinary quality—rank him as a shrewd interpreter with the wit: with Schnabel, Serkin, Chikhaia, Solomon. There was time, when Brendel was younger, and when we knew his shrewdness chiefly through his superb early recordings for Vox...

To press comparisons too hard, on the other hand, and to conjure with too many names in the Beethoven canon, is to blame Brendel for failing to be another artist entirely, which is no part of my intention. He is, unequivocally, himself; and that, at his finest, is deeply impressive. On Monday, at the fourth recital of his complete Beethoven sonata cycle which continues at the Elizabeth Hall until the end of next month, he gave two very beautiful performances indeed of the great, early revolutionary D major sonata, Op. 10, No. 3, and of that wonderful flower of the middle period, the Waldstein.

In the slow movement—the *largo e mesto*—of the D major sonata especially he was at his most eloquent, rounding the music with marvellous simplicity and clarity; in the finale too, done with unexpected (here nothing was predictable) explosive passion, tempered with a sense of humour. The Waldstein was magnificent: the first movement knife-sharp, every note and gesture perfectly balanced; the *adagio rapt* and calm; the *rondo* melody shimmering sea-swell. (Why do so few pianists these days play real octave glissandi in the final pages: is it just that on a modern piano, with its heavier action, an octave glissando actually hurts the fingers?)

By its very choice of works Brendel's fourth programme scaled none of the later, greater sonata heights. But his forthright treatment of the little G major sonata, Op. 79, and the E major, Op. 14, No. 1—both performances of the greatest force and economy—was entirely compelling on its own terms.

Swan Lake

by CLEMENT CRISP

For Vergie Derman and Wayne King, *Swan Lake* was a test of their abilities, although they are competitive newcomers to it. On Monday they showed exceptional so in the third act—that they properly be ranked among the Royal Ballet's finest interpreters of our time. It is dancing distinguished at every moment by a feeling of complete authority—and the revised structure of the coda, in which Mr. Eglington's beautifully switch channels frequently, you can manage a diet composed almost exclusively of American fare.

If you consider the hours when most people are free to watch television assuming they wish to, the hours from about 6.30 or 7 o'clock until dawn—some time between 11.45 and 12.30, you discover (judging from the past week, which is presumably not unrepresentative) that BBC 1 transmits about 24 per cent American material, BBC 2 25 per cent, and ITV no less than 86 per cent—in the London area, anyway, and the proportions do not differ very much in other regions.

The American programmes range from *The Wonderful World of Disney* on BBC 1 to a drama documentary called *The*



David Collier's costume designs—mourning robes, military attendant and Chalkdicks—for the new English National Opera production of Ian Hamilton's 'The Royal Hunt of the Sun' which will have its world premiere at the Coliseum on Wednesday, February 2. The conductor is David Lloyd-Jones and the producer Colin Graham

Television

American imports

by CHRIS DUNKLEY

"Wah merst ah be ye er teenager in lerv?" was the query posed repeatedly by a singing group from Glasgow when they appeared on last Friday's *Crockerjack*, a children's programme on BBC1. The compere introduced them as "three young sisters and their auntie," and presumably they were Scottish. Yet their performance consisted of a rather poor imitation (including accent) of the 1959 million-selling American recording of "Teenager in Love" by Dion and The Belmonts.

It could perhaps be argued—certainly that it is in such small bits of evidence as this that we find proof that a diverse British culture, traditionally rich in regional dialects and accents, and legends, song and story, is being eradicated by overwhelming waves of North American culture, most of them transmitted via television.

Memory suggests that there was even more worry about American dominance in the 'fifties and 'sixties than in the present decade: outrage was caused by American comics, sweets, films, music, and, when British commercial television started, quiz shows.

You hear much less outrage now and yet the American programmes are still there as I have confirmed thoroughly during the past week. Having decided to keep a special eye on them I was somewhat startled to discover that if you plan carefully and switch channels frequently, you can manage a diet composed almost exclusively of American fare.

If you consider the hours when most people are free to watch television assuming they wish to, the hours from about 6.30 or 7 o'clock until dawn—some time between 11.45 and 12.30, you discover (judging from the past week, which is presumably not unrepresentative) that BBC 1 transmits about 24 per cent American material, BBC 2 25 per cent, and ITV no less than 86 per cent—in the London area, anyway, and the proportions do not differ very much in other regions.

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better American exports, being a dramatised account of the 1938 trial of the Los Angeles evangelist Aimee Semple McPherson. Five Danaway tried desperately, but unsuccessfully, to suggest the charismatic power which Aimee must have possessed by repeatedly opening her eyes so wide that the irises were completely surrounded by white. She was acted off the screen by Betty Darr, playing the over-fond, over-doting, over-bearing Mama.

Even in ITV's "Wednesday Thriller" *The Secret Night Caller*, which was about a seemingly respectable middle aged housewife's clerk making obscene anonymous telephone calls to young girls (really) it transpired that his father, a fine upstanding judge, had shot himself.

Yet however much Freud, Jung and Adler (not to mention the American magazine *Psychology Today*) may have to answer for the typical American export is still an outdoor action series shot

on film. *The Quest*, for instance, shown on BBC1, is about two young men riding through the West Indies of Alvin Smith and Jones on a perpetual hunt (shades of *The Fugitive*) for their long lost sister. The strong silent one who wears fringed buckskins (shades of *Wagon Train*) is half-Chinese which allows him to make trendy environmental judgements on the ecology-busting habits of Whitey. The other is a trained medic who can run his hands over a fallen cowboy and trot out an expert diagnosis, tapping out orders for tourniquets, whatnot (shades of *Dr. Kildare*).

Last week's gratingly unoriginal story was about the long standing feud over land and water rights between small-time squatters and big-time cattle barons, derivative formula writ large for the poorest sort. Nonetheless, the filming of the galloping horses, and of the flaming hair, and indeed, all the outdoor action, was just as proficient and as exciting as we have come to expect, and it is presumably for precisely that reason that British companies buy second-hand from the States; such material costs a great deal to produce, and the modern equivalent with planes and cars and helicopters just as much or more.

Right now, with British commercial television companies making such large sums of money out of that scarce public resource with which they operate—the national TV channel—one might wonder why more money is not being ploughed back into producing improved British versions to replace American imports. Perhaps the answer would be that more money is being ploughed back, and if so the results will no doubt become evident later.

Leaving that detail aside, however, and taking the longer and broader view to include the BBC and those periods when ITV has not been making so much money,

Round House

Flowers

by B. A. YOUNG

Lindsay Kemp's *Flowers* isn't much changed from its former look at the Regent. There is more room on the stage of the Round House, though the company doesn't take as much advantage of it as it might. There are some lighting effects not possible behind a proscenium. Rather less male flesh is displayed bare.

But in general the piece remains the same, a series of scenes emotionally extracted from recollections of Genet's *Dom de Mythe*, presented in a medium that is something less than dancing and something less than acting—fabulous triants is perhaps the only expression for them. The themes, as with Genet, deal with despair and destruction treated as matters for exultation. We begin with a stylised masturbation scene and move on through murder, seduction (homosexual, of course), heartbreak and death.

There are some pretty scenes—I loved the "ladies" with their wet umbrellas, even if they did turn into ogres a moment later and massacre a harmless abbé—but on the whole I find the work common and empty. Mr. Kemp, whom I know to be a good actor and who may be a good dancer as well for all I know, trails through his scenes so languidly that one longs for the inevitable end before he is half-way through, for no tension results from their slowness. He allows himself a single line of dialogue ("Bring me a pot of your finest China tea, my man") which must have special significance for him, for he has stuck firmly to it ever since I first saw *Flowers* in Edinburgh some ten years ago, though it triggers no special effect.

Mr. Kemp has his fans, however, always ready to applaud even the most ordinary routines as if they were something unique. I suppose they are mostly too young to remember not dissimilar work from the post-war drag companies like *Soldiers in Skirts*, who might possibly have done the three cabaret dancers rather better.

St. John's, Smith Square

Edward Cowie

by PAUL GRIFFITHS

The composer Edward Cowie, born in 1943, has perhaps made most stir so far with his orchestral piece *Landscape*, which was played at the 1975 Proms. That piece I have not heard, but I have been impressed by several of his works on a smaller canvas—not an inappropriate word for music which shows a painterly feel for light and shade, shape and colour. Cowie is in fact a painter as well as a composer, and from what I have seen of his pictures, they closely resemble his music in feeling. In both arts his principal subject is nature, particularly the landscape and bird life of Lancashire, where he now has his home.

Four new musical essays in nature study by him were introduced at Monday's concert by the BBC Singers under John Poole. The four are evocations of places in Lancashire, each set in a different season, and each in homage to Goethe, whose biological writings Cowie admits as an influence. Tippett should perhaps be cited as another, since he is the work's dedicatee, but it would be misleading to suggest that there is any similarity in style between the two composers; nor, indeed, does Cowie owe anything to an earlier English pastoral school.

The closest parallel is rather with Messiaen and, as one might expect in a work for unaccompanied voices, in particular with Cowie's choral *Changerechts*, Cowie shares Messiaen's interest in bird songs, his desire to transcribe into music the features of a natural habitat and, on occasion, his rhythmic and modal preferences. In general, however, Cowie's music is in all respects more varied than that between the Lancashire moors and the Loire valley, but it is enough to guarantee him individuality.

Grasshopper, which also exists in an earlier version for chorus with instruments, shows that individuality well. It would be pointless for me to translate into prose the natural sights and sounds which Cowie describes so well in tone, word and vocal gesture, and in the little sketches which adorn his scores; it is enough to note that these four musical watercolours are pretty and coolly engaging. They are, however, no more than delicate impressions, and for anything stronger, one must await the piano concerto and the opera on which Cowie is now working.

Before *Gesamtbuch* the BBC Singers gave stirring accounts of Brahms's Three Motets Op. 110 and a generously shaped performance of Tallis's *Lamentations*. The concert was recorded for future broadcast.

Iranian orchestra signs with EMI

EMI has signed a contract with the National Iranian Radio and TV Chamber Orchestra to record several LPs of Western classical music. The recordings, which will be made in Tehran this year, are scheduled for worldwide release through EMI's international distribution network. This is the first time that an Iranian orchestra has been signed by a leading international record company.

The complete repertoire schedule has not yet been decided but it is hoped to include works by Purcell, Vivaldi and Shostakovich. The orchestra has already visited some of the major European capitals but has not yet appeared in the United Kingdom. EMI hopes to arrange a British concert tour for this orchestra which consists predominantly of Iranian musicians and which was formed four years ago.

The contract was recently signed in Tehran between Peter Andry, director and general manager of EMI's International Classical Division, and the director of the orchestra, Sherezaide Afshar, who is the wife of the director-general of the National Iranian Radio and TV Service.

The Afshars have visited this country as guests of the Queen Mother and are very well known in cultural circles here through the British Council.

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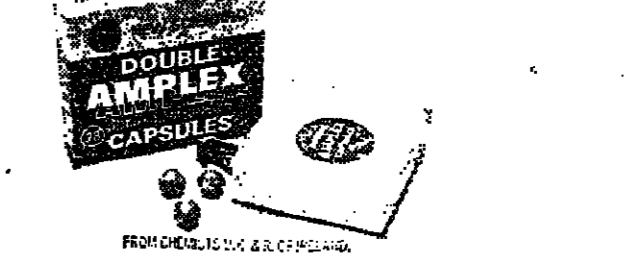
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Kojak (Telly Savalas)

SAVE Exhibition on Railway Architecture

Save Britain's Heritage has organised an exhibition of the 19th century figures of the railway. The exhibition is held at the RIBA Drawings Collection, 21 Portman Square—Off the rails: Saving railway Architecture—until March 11. The purpose of this exhibition is to make people aware of Britain's railway, pioneered by its application to passenger travel and built the most extensive network of lines anywhere in the world. Yet this infrastructure, the stations, viaducts and tunnels, and Stephenson in great train sheds and buildings. Leading architects including Barry (Trentham), Dobson (Newcastle), Hardwick (Euston), Scott (St. Pancras), Digby Wyatt (Paddington), and Paxton (Marex) also designed them. The exhibition includes photographs of railway buildings in all parts of England, Scotland and Wales—grouped under the headings of Legacy, Loss, Abandonment, Maltreatment and Re-use. On show are many objects connected with railway history and a working model railway with scale models of railway buildings.

SAVE has published a 64-page illustrated book called *Off the Rails*. It consists of essays on the fate of railway buildings, with an introduction by Simon Jenkins, editor of the *Evening Standard*, and contributions from David Lloyd (expert on railway architecture), Oliver Barratt (secretary of the Cockburn Association, Edinburgh's Civic Trust), and Douglas Hague (expert on Welsh architecture).

Royal photographs at the National Portrait Gallery

Happy and Glorious, the National Portrait Gallery's contribution to the celebrations of Queen Elizabeth II's Silver Jubilee, is sub-titled "130 Years of Royal Photographs." It serves both as a history of the monarchy from the accession of Queen Victoria in 1837 to the present day, and as a history of photography over the same period. *Happy and Glorious* begins with formal, sepia-coloured studio portraits of Victoria and

Radio 3

Beaux Arts Trio

In Monday's lunchtime recital broadcast live from St. John's, Smith Square, the Beaux Arts Trio provided a reminder of its end of Beethoven series a year ago with a performance of the E flat Trio, Op. 70, No. 2. The first work of the recital was played from this poetries trio—sensitive in balance of parts, polished in the timing of each gesture, autifully mellow in tone. This work, at once surging and concentrated, with the rampantly infectious good humour of the finale and an air of Haydnian beneficence about the whole, the corporate excellence seemed finally too civilised, too discreet to reflect the fullness of the music.

The first work of the recital had been the Shostakovich E minor Piano Trio, Op. 67. One might have expected the same tactful qualities about the ensemble, to diminish the black humour of the music. Yet, from the frozen lyricism of the opening, the effect was one of accumulating tension, contained until the final "dance of death." Here the players, notably violinist Isidore Cohen, permitted themselves a veneer of statement that made the work all the more moving. Death has seldom appeared a wilder or darker obsession of Shostakovich's than in this trio, or in this performance.

Laing painting competition 1977

The fifth annual Laing painting competition, sponsored by John Laing, the builder, has been won by Norman Hepple, RA, with his painting *Kitzbühel, Austria*. The second prize went to Michael John Miller, of Ewell, Surrey; the third to Mrs. Margaret Pulver of Hatfield and J. M. Hickman of East Sheen, as joint winners; and the fifth to Gerry Pine, of London, S.W.

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English Topography

An exhibition until February 12th of original prints and maps from the 16th to the 19th century. The well illustrated catalogue with 1,500 items includes atlases and illustrated books, town plans and views, county maps, sea charts and road-maps, industrial and social scenes, and views of country houses. Catalogue sent on request £1.

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ENTERTAINMENT GUIDE

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Portuguese fishing fleet on strike
Portugal's fishing fleet lies idle today, its 20,000 deep sea and coastal fishermen having gone on strike, our Lisbon correspondent reports.

IRELAND'S ECONOMY
Bottom of the league
BY GILES MERRITT IN DUBLIN
IRELAND'S ECONOMY has the doubtful distinction of being the worst in Europe: it is bottom of the EEC league in terms of output, which per head is one-third of West Germany's, but consumption runs at about half the German rate.

Swedish may be host to OPEC in July
BY WILLIAM DUFFLORCE STOCKHOLM, Jan. 25.
THE NEXT meeting on oil prices increases of the Organisation of Petroleum-Exporting Countries (OPEC) may be held in Stockholm in July. In reply to a query from OPEC headquarters in Vienna, the Swedish Government yesterday agreed to hold the meeting.



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N. Sea oil rig rates fall
BY FAY GJESTER OSLO, Jan. 25.
THE OVERSUPPLY of oil rigs of these were used in on-site and offshore vessels of all kinds construction work in the North Sea led to a marked fall in rates last year, according to a survey by the chartering company Fearnley and Eggers of Oslo.

REPUBLIC OF IRELAND. FASTEST GROWING INDUSTRIAL LOCATION IN THE EEC.
AUTHORS WANTED BY N.Y. PUBLISHER
The Financial Times published daily except Sundays and public holidays. It is a subscription paper for the United Kingdom and other countries. Second class postage paid at New York, N.Y.

EUROPEAN NEWS

Mondale seeks boost from Schmidt for world economy

BY ADRIAN DICKS

WALTER MONDALE, the U.S. Vice-President, today urged new measures to stimulate the international economy on the east German Government...

Sakharov warned by prosecutor

By David Satter

MOSCOW, Jan. 25. DISSIDENT leader Dr. Andrei Sakharov said that he was officially warned today by a Soviet public prosecutor...

Giscard and Saudis fail to agree on Middle East settlement issue

BY ROBERT MAUTHNER

PARIS, Jan. 25. FRANCE and Saudi Arabia failed to reach complete agreement on the nature of an eventual Middle East settlement...

Dutch unions plan series of strikes

BY MICHAEL VAN OS

AMSTERDAM, Jan. 25.

HOLLAND'S two largest central union organisations will begin a programme of selective industrial action within the next two weeks...

Andreotti urges pay curbs

BY DOMINICK J. COYLE

ROME, Jan. 25.

ITALY'S rising labour costs must be cut, whatever the cost, Sig. Giulio Andreotti today warned both employers and trade unions here...

Employers and unions are expected to produce a compromise settlement without major changes in Italy's present highly inflationary pattern of general price indexation...

Change likely in Turkish overseas debt structure

BY METIN MUNIR

ANKARA, Jan. 25.

KEY IS planning a major change in its foreign debt structure with the aim of switching to short term to medium term loans from international monetary markets...

The aircraft manoeuvre. How a new use for old skills contributed \$113 million to Cooper Industries' 1975 revenues.

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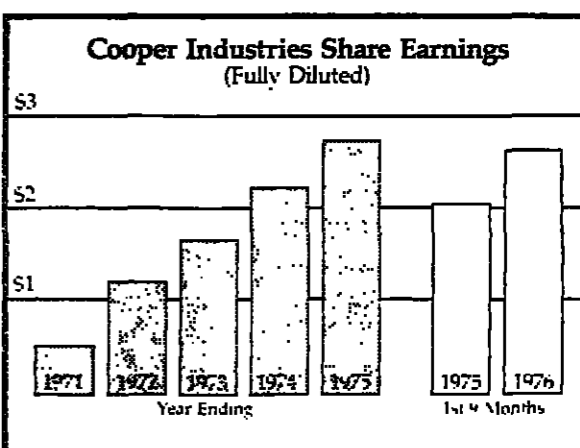
In addition to engine work, we now install instrument and control systems, repair and modify structural parts, and install custom interiors in corporate jets. And Cooper Air-motive has become a distributor for dozens of leading lines of aircraft parts and supplies.

This story is continued in our annual report Our aircraft strategy is only part of a concrete, pragmatic growth plan that has quadrupled

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Strauss may quit Bonn

BY OUR OWN CORRESPONDENT

BONN, Jan. 25.

FRANZ-JOSEF STRAUSS has an abortive attempt to form a new party again managed to fourth national party group in the Bundestag last autumn.

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AMERICAN NEWS

Canadian confederation is unworkable—Levesque

BY ROBERT GIBBENS

NEW YORK, Jan. 25.

M. RENÉ Levesque, the Prime Minister of Quebec, and his Finance Minister, M. Jacques Parizeau, told a Wall Street audience last night that a Canadian confederation is unworkable, and that Quebec and Canada cannot continue "like two scorpions in a bottle."

M. Levesque, according to reliable sources, looked to Quebec's becoming a "small nation, but a good neighbour of the U.S." It would welcome U.S. direct and portfolio investment, though it would want to state its own terms.

Brown delays defence changes

BY DAVID BELL

WASHINGTON, Jan. 25.

THE CARTER Administration will wait until next month before deciding what changes to make to the \$12.2bn. defence budget proposed last week by the outgoing Ford Administration.

Dr. Brown is also thinking of delaying the M-X intercontinental missile development programme, and is reported to have sent 31 other recommendations to the armed services on the first day that he took office.

Burmah Oil resists disclosures

BY STEWART FLEMING

NEW YORK, Jan. 25.

BURMAH OIL is resisting the disclosure to the U.S. Securities and Exchange Commission (SEC) of information related to the commission's continuing inquiry into alleged improper payments by the British company.

But he goes on to say that the U.S. Government has secured from Pertamina's counsel an opinion that Pertamina is legally bound by the transportation agreement as amended in August, 1976, and that Pertamina's obligations under this agreement have received the approval of the Indonesian Government.

Caroline Hyde reports on the price of pollution control in the U.S. Stark choices on the environment

HAD someone said in 1965, when people in the U.S. became excited about clean air and water, that the chairman of a regional environmental agency could hamper a project as large as the Alaska pipeline, everyone would have laughed at his face.

There is little doubt that businessmen are beginning to spell out more forcefully the choice which American society must make. It comes out most clearly in the natural resources and energy areas. If the American people want to leave the unspoiled areas of the West untouched, they cannot have the steel or motor cars.

Sixth IMF gold auction to-day

By David Bell

WASHINGTON, Jan. 25.

THE INTERNATIONAL Monetary Fund to-day will hold its sixth gold auction, the last before it switches to the monthly sales that are to begin on the first Wednesday in March.

Canada money supply Canada's seasonally adjusted national money supply fell 0.5% in the week ended January 12 to \$18.37bn, according to brokers Pitfield Mackay Ross, AP-DJ reports from Toronto.

Payments probe delay A Canadian parliamentary steering committee has decided to delay asking officials from Italy, Switzerland, Israel, South Korea and Argentina to testify about payments made to foreign agents by Canada's nuclear sales agency, AP-DJ reports from Ottawa.

U.S. car forecast Americans will purchase 6.1m. new cars in the year 2000, but, with improvements, they could consume less fuel, according to the U.S. Department of Transportation, AP-DJ reports from Washington.

Rockwell deal inquiry Rockwell International said yesterday that the U.S. Securities and Exchange Commission is conducting an "informal inquiry" into a Rockwell business agreement in Iran, AP-DJ reports from Pittsburgh.

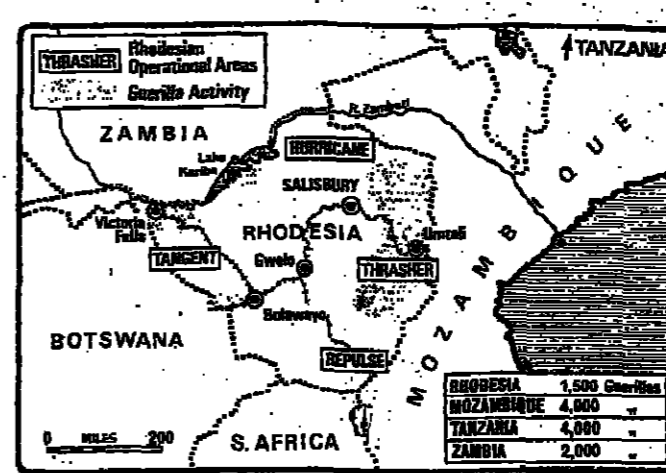
Savings increase More people saved more money in U.S. savings and loan associations last year than ever before, according to AP-DJ in Chicago. The U.S. League of Women Voters estimated that \$51bn. more was saved in 1976, 18.3 per cent. more than the previous record of \$43.1bn. in 1975.

OVERSEAS NEWS

Smith's uncertain military option

BY OUR FOREIGN STAFF

WITH THE collapse of the Geneva conference, Rhodesian nationalists are promising a further escalation of the country's four-year guerrilla war. In the absence of any fresh diplomatic initiative the central question now is how long the Salisbury Government can weather the military storm.



Figures for guerrilla strength come from the Rhodesian government and may be conservative.

During the past few months the Rhodesian security forces have mounted a series of successful offensives in the main eastern operational area, including several hot pursuit raids across the border into Mozambique and this has, no doubt, been a factor in hardening Mr. Ian Smith's determination to reject Britain's proposals.

Office, admitted last week that "we have got to live through a very rough, tough period before we get on top of this." This, presumably, means that Mr. Smith has been advised by his generals that Rhodesia can hold out against the guerrillas.

Total Rhodesian security forces number a potential 50,000. There are some 6,000 regular troops, consisting of the all-white Rhodesia Light Infantry (1,000), two battalions of Rhodesia African Rifles under white officers (2,400), the mixed force of Selous Scouts (about 1,000), all-white with special air services (200), and an air force complement numbering 1,300.

Australia (the principal source of recruits) are paid regular army rates. But conservative estimates suggest there are at least 400 such volunteers and probably more. Their numbers include many Vietnam veterans, whose main tasks include operating as helicopter crews and as instructors. Reliable reports in Salisbury say that Rhodesia is recruiting as many foreigners as it can handle.

But however hard the Rhodesians hit back against the guerrillas, the key to the white Government's survival remains Mr. John Vorster, the South African Prime Minister, whose armed forces are the most highly trained and well equipped in southern Africa.

Soweto: backdated Bill to protect police

BY QUENTIN PEEL

CAPE TOWN, Jan. 25.

RETROSPECTIVE legislation to maintain public safety or essential services, or to preserve life or property.

The period covered by the legislation dates from June 16 last year, the first day of the riots in Soweto, when police opened fire on schoolchildren demonstrating about the teaching of subjects in Afrikaans in their schools. More than 600 students and adults are known to have died in the subsequent disturbances throughout the country.

The Bill contains a further clause providing that in any proceedings arising from such an act or statement, the authorities will be presumed to have acted in good faith unless proved otherwise.

The legislation, which is comparable to a law introduced to protect members of the South African armed forces after their intervention in the Angolan civil war last year, is certain to be bitterly opposed by the opposition Progressive Party, although its progress through Parliament is virtually assured.

Malaysian civil service pay rise rejected

By Wong Sulong

KUALA LUMPUR, Jan. 25.

THE MALAYSIAN Government to-day is heading for a confrontation with unions representing 580,000 civil servants following its decision to-day to reject a request by the government-appointed Royal Commission which recommends big pay increases.

Lebanese board will begin economic reconstruction

BY HSNAN HIJAZI

BEIRUT, Jan. 25.

THE LEBANESE Government is setting up a special Board for Reconstruction and Development which is expected to play a major role in rebuilding the country's economic life.

Dr. Selim Al Hoss, the Prime Minister, said the Board will have 12 members who will be appointed later. The council will advise on economic and financial autonomy but will be linked directly to the Cabinet.

providing the funds needed for activation of private business life, he said. Another decree issued by the Cabinet last week provided for the formation of a mixed organisation (50 per cent. government and 50 per cent. private) to guarantee local and foreign investment against non-commercial risks arising from conditions of war.

Moroccan poll

By David Bell

Electoral polls were held to-day for 513 members of 33 provincial and city assemblies in Morocco, Reuters reports from Rabat.

Bangkok investment incentives

BY RICHARD NATHONS

BANGKOK, Jan. 25.

THE THAI Prime Minister, Mr. Thanin Kraivichien to-day outlined the main points of a new investment promotion bill designed to improve both foreign and domestic investment incentives in Thailand.

Three to five years (losses incurred during that period may be deducted as expenses for an additional five years); Tax exemption of up to 100 per cent. on machinery imported for tariff exemption of up to 80 per cent. for import of raw material.

against nationalisation of any promoted industry, and for a "one stop service centre" located in the BOI in theory the centre will bring together representatives of all Government agencies and departments whose approval is necessary to get a project going.

Former PM on trial

By David Bell

Former Nepalese Prime Minister Bisheshwar Prasad Koirala, who returned last month after eight years of voluntary exile in India, is to be tried by a one-man tribunal, according to a justice ministry announcement, Reuters reports from Kathmandu.

Thai-Cambodian dispute

By David Bell

BANGKOK, Jan. 25.

THE THREE month old Thai-Cambodian border dispute has been at a point where some observers say it could flare into a major clash.

The dispute concerns the heavily forested, heavily populated area around the south-east of Thailand 130 miles from Bangkok where the frontier is ill-defined if marked at all.

The whole thrust of the three-month-old Thai administration is to improve Thailand's investment climate which degenerated during the three years of democracy which coincided with recession both at home and abroad.

ON OTHER PAGES

International Company News: Exxon final quarter ... 2/22; Poincaré/Case deal ... 2/22; Farming and Raw Materials: Florida frost hits crops ... 27

Handwritten Arabic text at the bottom of the page.

WORLD TRADE NEWS

Oil purchases raise U.K. deficit on Soviet trade

BY DAVID SATTER. THE VOLUME of Anglo-Soviet trade rose by almost half during 1976 but the chronic imbalance in favour of the Soviet Union was even more rapidly a result of significant British purchases of Soviet oil and an increase in such traditional U.K. exports as wood, diamonds and...

other categories the figure for U.K. exports was the highest since 1968 at least. The U.K. deficit on trade with the Soviet Union for 1976 was £426m, more than double the £201m trade deficit registered last year. Commercial sources said that the rapid growth in Anglo-Soviet trade, which has increased in value more than three and a half times since 1968, is related to the general expansion of Soviet foreign trade since the late 1960s. The sharp rise in British imports this year, however, is attributed to a rise in the demand for raw materials due to the West's economic recovery.

Expanded imports, however, have not been offset in the figures by sizeable advances in exports. This in part, is because there were no major exports contracts signed in 1976, the first year of the £950m Anglo-Soviet trade agreement. The £100m gas compressor contract signed in December by the COBERROW consortium will not begin to affect British export figures until the second half of 1977.

\$1.36bn. investment in Brazil aluminium

TOKYO, Jan. 25. NIPPON Amazon Aluminium (NALCO) has been set up by 32 major Japanese companies to channel investment for \$1.36bn aluminium production project in the Amazon area. NALCO will be capitalised at ¥360m, initially, to be increased eventually to ¥565m. The Amazon project calls for the production of 320,000 tonnes of primary aluminium and 800,000 tonnes of alumina per year in Belem, at the south of the Amazon river, with partial operation starting from 1981. The Japan Aluminium Refiners Association said the investment company will put up about \$631m of the total cost.

The association said the semi-official Overseas Economic Co-operation Fund and other Governmental finance agencies will also provide financial support. Nippon Light Metal and Mitsui Aluminium will offer technical co-operation for the project. Japanese companies involved include three other aluminium refiners—Shimizu Denko KK, Sumitomo Chemical and Mitsubishi Motor, Matsushita Electric Industrial, Ishikawajima-Harima Heavy Industries, C. Itoh and Nippon Steel.

MIDDLE EAST TRADE

Japan gives priority to Iraq

BY CHARLES SMITH

TOKYO, Jan. 24.

JAPAN IS giving top priority to Iraq in its policy of promoting economic ties with the Middle East, despite the fact the bulk of its oil imports continue to come from Saudi Arabia and Iran. This fact was underlined during a six-day visit to Tokyo by Iraq's Vice-President, Mr. Taha Muhiaddin Marouf, which ended today.

During Mr. Marouf's stay an agreement was signed for the extension of a further \$1bn worth of low interest rate credits to Iraq (an initial \$10m was made available two years ago). The credit is most probably in connection with an LPG gas plant which the Mitsubishi Group is hoping to supply. Iraq is not bound under its agreement with Japan to place orders for the LPG plant or any other major plant with Japan, but it specifies that the Iraqis will hold open international tenders and draw on the Japanese credits if and only if they decide to buy from Japan.

Japan singled out Iraq as a Middle East country worth cultivating in the immediate aftermath of the oil crisis when it was hurriedly attempting to construct a foreign policy towards the region. As the Japanese see it, Iraq has at least four major attractions to them. It is a populous nation as well as a major oil producer and thus possesses a labour force and market large enough to make industrialisation possible. A further point about Iraq which appeals to Japan is that the Ba'ath regime's policy for investment by outsiders but for stretch-out purchases of equipment, Japan would rather supply plant on credit to the Middle East than invest funds in what may still prove to be doubtful industrial ventures.

Japan's economic relationship with Iraq effectively began early in 1974 when the then Minister of International Trade and Industry, Mr. Yasuhiro Nakasone, visited Baghdad and offered the Iraqi \$1bn worth of credits in return for an Iraqi undertaking to supply Japan with 90m tons crude oil over ten years. The agreement still stands but things have not worked out as either side originally expected. Japan's offtake of Iraqi crude has so far been running at only about half the level originally forecast (last year for example Japan bought 4.6m tons of crude instead of the 9m tons specified in the agreement).

Comecon acts over debts

BY DAVID LASCELLES

COMECON appears to be doing something about the debts which it has been accumulating. Preliminary estimates for 1976 show that five of its seven member states managed to narrow their trade deficit with OECD countries, notably the Soviet Union whose exports increased nearly twice as fast as imports. But that did not prevent Comecon's accumulated debt on visible trade with the West to a level now hovering in the West to be about \$40bn.

Hungary and Bulgaria managed to reduce their imports by some \$100m, each, while at the same time boosting their exports. In Hungary's case by 6 per cent, and Bulgaria's by 23 per cent. But while Bulgaria was managing to hold its imports in check, Hungary appeared to be increasing them again towards the end of the year. The only two countries which failed to improve their trade position vis a vis OECD were Czechoslovakia and East Germany where imports were rising strongly but exports staying level. In the case of Czechoslovakia, whose accumulated debt is the lowest in Comecon, that may reflect a deliberate policy of increasing imports, particularly technology and equipment.

Overall, 1976 was the first time in five years that Comecon managed to narrow its trade deficit with the West. But it was also the first year since 1971 where East-West trade grew by less than 10 per cent. This bears out the East European warning that they would be forced to rein in imports unless they were able to sell more in Western markets. The cutback of imports also demonstrates that Comecon governments can control their foreign trade, though the recent Comecon debt scare gave the West cause to doubt. Comecon's improved position will only marginally reduce its need for finance and credits, bankers believe, since all its members still have large debts to pay off, and all are still in the red. But the group's partial success in correcting the imbalance should increase its credit standing.

The biggest contribution came from the Soviet Union whose exports to the OECD rose by 20 per cent to top \$10bn, for the first time. Imports on the other hand rose by 9 per cent to some \$5.5bn. But although the Russians ended the year \$3bn in the red, the trends were improving. The biggest part of the deficit is built up in the first part of a year. Poland also managed to bring yawning deficit under control increasing exports 8 per cent, actually cutting back imports 2 per cent. But the trends were less marked than the Russians', and by the autumn Poland's imports showed signs of accelerating again. The most dramatic performance came from Romania, thanks to the strict import regime imposed there to correct a deficit which at one time was creeping towards the \$1bn mark. Romania appears to have ended the year with a deficit of only \$20m, following a 10 per cent drop of imports and a 15 per cent increase of exports.

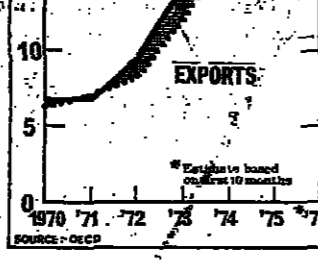


Table: COMECON COUNTRIES' TRADE DEFICIT WITH OECD. Columns: Country, 1976 Visible deficit (\$ millions), 1975 Visible deficit (\$ millions), Visible deficit accumulated since 1970 (\$ millions).

German loan for Iran

A West German banking consortium of Brown Boveri and Siemens is expected to help finance a natural gas-fired power plant, CUP reports. Dresdner Bank, the consortium leader, said a contract to this effect was signed with Iran Power Generation and Transmission Company of Tehran. The four units will have a capacity of 440 MW each.

German loan for Iran

International and Kellogg Construction for an ammonia-urea complex at Maring Point, County Cork, due to be commissioned in 1978 with a daily production capacity of 1,100 tonnes urea and 1,350 tonnes ammonia. The loan was arranged by Kleinwort Benson acting for National Westminster Bank.

Mission to S. Korea

A 25-member French investment mission is expected to visit South Korea next week for a feasibility study of possible investments in electronic projects in South Korea, an area of foreign investment dominated by the U.S. and Japan. M. Alexandre, managing director of Societe d'Etudes de Constructions Electroniques, a Paris electronic engineering concern, is heading the team.

Danish Saudi work

The Danish Government is considering a plan to set up a \$250m (£200m) fund to assist Danish companies to participate in investment projects in Saudi Arabia. Hilary Barnes reports. The proposal follows a recent visit to Saudi Arabia by a Danish trade delegation which was informed that Danish companies were welcome to participate in developments projects on condition that they contributed from 5 to 15 per cent of the capital cost, which would give them an incentive to make the project successful.

British chemicals loan

Britain's Export Credits Guarantee Department has guaranteed a \$18.5m loan to help finance a \$18.5m contract awarded by Nitrigin Eireann Teoranta (NET) to Kellogg Arabian sources.

Record sales of vehicles

JAPAN'S car makers turned out a record 7,841,447 cars, trucks and buses in 1976, and sold almost half of them to foreign countries, the Japan Automobile Manufacturers' Association has announced. The United States was the largest single export market. Spokesmen for the association said final figures on 1976 car exports are expected to reach 3.7m units, or about 47.3 per cent of Japan's total production. Sales of passenger cars in the U.S. by the four leading manufacturers—Toyota, Datsun, Mitsubishi and Honda—are estimated at 846,589 units. Combined with sales of cars by smaller manufacturers and truck sales, they probably will push Japan's total sale of motor vehicles in the U.S. last year above the 1m mark.—UPI.

Increase in Finnish transit traffic

BY LANCE KEYWORTH

HELSINKI, Jan. 25.

CONGESTION in Soviet harbours and the spare capacity of Finnish ports have led to a sharp increase in Soviet transit traffic through Finland the past couple of years. The Finns expect this to continue in the foreseeable future. The eastbound goods are loaded in southern Finnish ports, and on to railway wagons and on to Soviet and other trans-Asian destinations such as China, Japan and some of the smaller Comecon countries. Finland and the Soviet Union have the same broad gauge railway system.

The Finnish State Railways carried 471,184 tonnes of transit freight in 1976, almost 100,000 tonnes more than in the previous year. Most of the traffic has been eastbound so far, but westbound traffic from the Soviet Union is increasing. The Finnish company handling the transit shipments is O/S Saimaa Lines. It has three ships in service for the sea link with the main European ports. A growing part of the freight is being containerised, but bulk cargoes such as ore concentrates and heavy equipment such as earth-moving machinery are also moved by this route.

Agreement on the development of this transit traffic was reached by the Joint Finnish-Soviet Commission for Economic Co-operation. No volume targets have been set, but prices for the current year have been agreed.

Aid sought on semiconductors

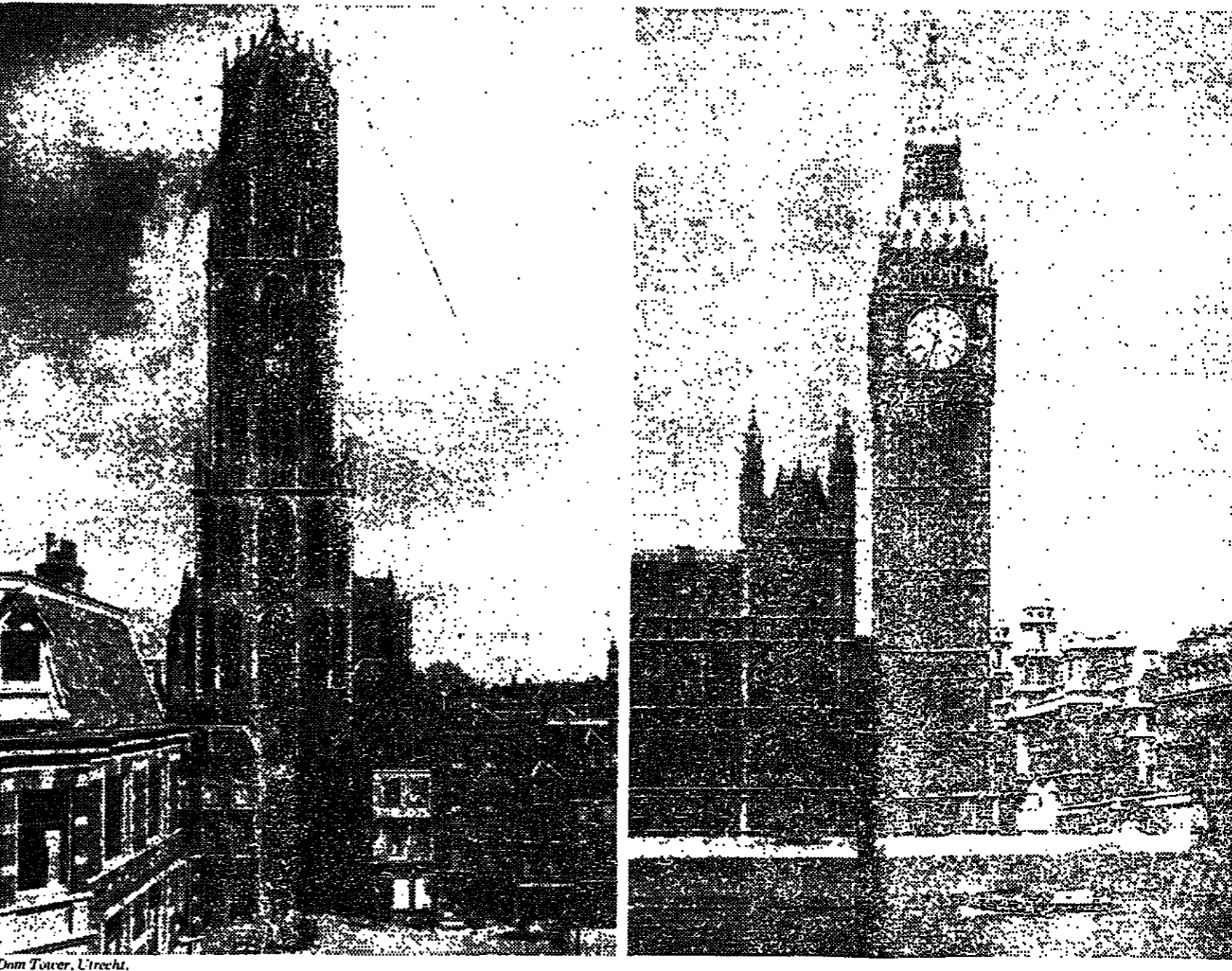
BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

Technology Minister, said integrated circuits will be decisive for a country's technological efficiency. It is a key technology, and we must be in it," he emphasised.

EUROPEAN Governments must support the semiconductor industry with more financial support if it is to be competitive with Japan and the United States, according to a study commissioned by four Governments and the EEC Commission. German Government officials say that a secret part of the report—which is by Mackintosh, a British electronics consultant—also calls for cross-country mergers between European companies, as well as "dissemination of basic research and on equipment for making integrated circuits. The report was presented in Brussels yesterday to government officials from Britain, France, Germany and the Netherlands, plus the Commission. It is expected to have a catalytic effect upon the draw-out search for a common industry-government strategy against U.S. domination of the rapidly growing European market for integrated circuits. U.S. companies account for over 75 per cent of the European market, according to the report. A concerted Japanese recovery programme is also causing concern in Europe. A summary of Mackintosh's proposals to the German press in Bonn, Herr Hans Matthoerfer, the German

conductor makers would spend over \$1bn on research and development in the next four years, "with massive state support" (mainly through military contracts). In the same period, Japan would spend about \$400m, on R & D in VLSI (very large-scale integration) circuits alone, with the Government providing more than half the funds. "Compared with this support, that given by most of the major European countries" has been too small and sometimes misdirected," the Mackintosh summary states. Some supporters of a large European programme would direct similar criticism at the new \$20m U.K. industry aid scheme for electronic components, which was announced this week. The report forecasts that the average annual growth rate of the European microcircuit market will be substantially higher than in the U.S. over the next decade, with Japan lying in between. On the location of production facilities—one of the most sensitive issues—forecasts that there will be a trend away from offshore assembly operations (mainly in the Far East) towards centralisation in the U.S. or Europe.

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APPOINTMENTS

Chartered Accountant

A new appointment is being made in the Financial Accounting Division of a major insurance group with U.K. offices in the City, Croydon, and the main provincial centres.

Applications are invited from Chartered Accountants with good examination and experience records, to assist in developing management reporting from a well-established computer base and subsequently to progress to other accounting and management activities.

Applicants should ideally be in the age range 25-35, with post-qualification experience, but not necessarily in insurance.

The initial salary will be in a range to £9,500 depending on age and experience.

Please write with full details to—
S. V. Turner, Group Personnel Director, The Alexander Howden Group, Bankside House, 107 112 Leadenhall Street, London, EC3A 4AL, or telephone 01-283 3444, Ext. 19 (Mrs. S. Gilbert) for an application form.

Alexander Howden Group Limited

MANAGER FOR INTERNATIONAL TURNKEY PROJECTS

Important Swiss engineering and financing group, rapidly going international, seeks a project manager for its international turnkey business. Main fields of activity are energy/electricity generation and transmission/distribution, industry, civil construction.

This is a new position. The post requires a person qualified and experienced with a technically broad and sound knowledge in one or more of the following fields:

- coal conversion techniques
- cement/glass/ceramics work
- steel work
- electricity generation and distribution
- transportation
- oil refineries

Extensive experience at project management level is required and practical knowledge of international turnkey contracting is desirable.

Applicants, preferably aged 35-45 years and having at least 10 years professional experience should hold an engineering degree or equivalent. Fluency in English is necessary; French, German or Spanish would be assets.

The successful candidate will be based in Geneva, Switzerland, but will also be required to travel abroad as an important part of the work.

Remuneration is fully open to discussion.

Every application will be treated in absolute confidence. Please write, enclosing curriculum vitae, to A-18-115005, Publicitas, 9-11, rue du Prince, CH-1211 Geneva 3.

HOME NEWS

Building recession could reach into next year

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

CONDEMNATION OF the Government's treatment of the construction industries and a warning that the building recession will stretch into 1978 came yesterday from the building and civil engineering economic development committees ("little needles"). In a particularly pessimistic set of forecasts for the next two years, the committees predict that construction output will continue to fall, as it has done since 1974.

They expect overall work levels this year to drop by about 8 per cent, coming on top of last year's estimated reduction of 4 per cent, and also predict a further 4 per cent fall in the following 12 months.

The outlook is especially depressed for the whole of the public sector, and the committees have laid much of the blame squarely on the Government. They deplore the seemingly haphazard manner in which public expenditure cuts have affected the construction sector and claim there is "an understandable and deep-felt resentment" at the burden which it has to bear compared with other industries.

The "little needles" also report widespread anxiety as to whether the building industry can come through what they describe as "the present storm" and be able to muster the necessary resources to respond effectively to changes in demand which might be induced by more favourable economic conditions.

The major fear is that the loss of capacity already experienced in the supplier and contracting fields — and likely to become worse if the dismal output forecasts are proved correct — will represent a permanent loss to the industries, both in terms of future work and of employment prospects. In the public sector as a whole, excluding housing output, the "little needles" expect the output this year to fall by 12 per cent, after the estimated 2 per cent reduction in 1976, with "little needles" estimating a further 8 per cent decline in 1978. The forecasts take into account permanent in character, the "little needles" expect a further drop in output in 1978. The public housing sector, where starts last year reached an estimated 175,000, a reduction of 30,000 is expected during 1977.

According to the forecasts, the 1978 figure is expected to be about the same. The total output of about 10 per cent more than in 1976, a 3 per cent rise in 1977, and a further 7 per cent in 1978. The public housing sector, where starts last year reached an estimated 175,000, a reduction of 30,000 is expected during 1977.

Rail deaths highest since 1967

BY JAMES McDONALD
The number of people killed in rail accidents last year was the highest since 1967, even though there continued to be a decline in the number of accidents, according to the annual report on rail safety published today.

Although the trend towards improved safety on British railways continued in 1976, the year was marred by the London Transport's worst train accident, at Moorgate, in which 43 lost their lives, says Lt Colonel I.K.A. McNaughton, chief inspecting officer of railways in his report.

Despite this accident, however, the number of train accidents fell to 1,210 in 1976—24 fewer than in 1974. A total of 47 passengers lost their lives in 1976. But Colonel McNaughton's report stresses that "significant" train accidents, defined as including most collisions and all derailments, continued to fall, from 313 in 1974 to 283 in 1976.

The report expresses disquiet over the number of reported accidents caused by malicious acts by the public which reached in 1976 the previous all-time high of 225 in 1972. Derailments in 1976, at 221, was the lowest since 1962, but was helped by a drop in freight train mileage. Almost one half of the derailments were due to staff error, including 20 attributable to errors by permanent way staff.

BBC could match top U.S. series

BY ARTHUR SANDLES
The BBC appears to be holding its breath, waiting to see whether it can match the success of the American television series "Hill Street Blues".

Mr. Charles Clarke, president of the National Union of Students, said: "It is gross hypocrisy for Mrs. Williams to launch a public campaign to improve educational standards while at the same time announcing plans to close 30 colleges of education."

Callaghan to meet exporters

THE PRIME MINISTER is to tour factories in Yorkshire on Friday which have been successful in export markets. He will visit the Ardrosshead head office of Allied Textiles group and tour the David Brown tractors factory at Kilmarnock.

Disincentive

Reduction of differentials had gone too far, and had reached the point where it might be discouraging craftsmen from staying in or returning to the industry, and possibly acting as a disincentive to potential entrants. But the report decides, this does not mean it is the sole, or even the main, reason for difficulties over skilled labour.

Time workers

For skilled time workers, the differential fell from 45 per cent, to 28 per cent, over the same period. The report indicates that a similar decline in relative pay is taking place in some other industries, and says that, so far as this is so, it would not account for a shortage of skilled manpower in engineering in particular.

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Williams cuts under attack

Financial Times Reporter
A PLAN by Mrs. Shirley Williams the Education Secretary, to cut between 25 and 30 teacher training colleges is open for consultation and negotiations.

After announcing the cuts in the Commons on Monday, Mrs. Williams said yesterday her Department would meet local authorities—probably in early June—before final decisions were made.

The decision to cut training places to 45,000 has been made because of a steady decline in the birthrate over the past six years.

Financial savings had not been a major consideration, Mrs. Williams said, but the closures and mergers would save capital expenditure elsewhere, because "disused colleges could be used for other purposes."

The scheme will mean the loss of about 3,500 jobs in teacher education over the next four years, according to Mr. Tom Driver, general secretary of the National Association of Teachers in Further and Higher Education.

'Abandoned'

Mr. Fred Jarvis, general secretary of the National Union of Teachers, said that major factors leading to the Government's proposals were the abandonment of the pledge given by former Education Secretary, Mr. Reg Prentice, to abolish all classes over 28 and the Government's planned cuts in education expenditure.

The National Union of Teachers is to take industrial action in Yorkshire from February 16 unless the county authority agrees to plan to cut the number of teachers this year by 464.

The union said that its members in 97 primary and 29 secondary schools would refuse to take over classes of colleagues absent for more than a day, where it was known in advance that they would be unable to return.

New superbus service for Stevenage

A NEW Superbus service starting in Stevenage, Herts, at the end of this week with the introduction of a streamlined service from the Martins Wood area to the town centre.

Buses will run every seven minutes during most of the day, with a slightly less frequent service in the evenings and on Saturdays.

The SBS, an extension of the Superbus concept providing a similar high frequency flat fare service to two other areas of the town, will replace a 15-minute service now operated by standard buses.

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1211 Geneva 3

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE
CANADA-UNITED KINGDOM FREIGHT CONFERENCE
NOTICE TO SHIPPERS AND CONSIGNEES
INLAND RATES CHARGES IN ENGLAND, SCOTLAND AND WALES
The members of the above conferences wish to advise shippers and consignees that the current inland rates applicable when they arrange inland transport by rail or road from the ports of origin to inland destinations in England, Scotland and Wales, have been agreed to become effective 1st March 1977. Details of which may be obtained from any of the undertakers listed below.

DE BEERS CONSOLIDATED MINES LIMITED
NOTICE TO THE HOLDERS OF PREFERENCE SHARES
Further to the dividend notice advertised in the Press on the 25th November 1976 the conversion rate applicable to payments in United Kingdom currency in respect of the dividends listed hereunder is £1 = 2,439,907.

Dividend	Amount of Dividend Declared South African Currency per Share	U.K. Currency Equivalent per Share
No. 135 on the 30% Cumulative Preference Shares	100 cents	55.71825p
No. 3 on the 8% Cumulative Second Preference Shares	4 cents	2.68861p

CONSOLIDATED COMPANY SOUTH AFRICAN MINING LIMITED
DECLARATION OF DIVIDENDS
Further to the Dividend Notice advertised in the Press on the 11th November 1976 the conversion rate applicable to payments in United Kingdom currency in respect of the dividends listed hereunder is £1 = 81,488,907.

Company	Amount of Dividend Declared South African Currency per Share	U.K. Currency Equivalent per Share
Consolidated Company East African Mining Limited	55 cents	3.69933p
Consolidated West African Mining Company	25 cents	1.67881p

ANGLO AMERICAN CORPORATION GROUP
DECLARATION OF DIVIDENDS
Further to the Dividend Notice advertised in the Press on the 10th December 1976 the conversion rate applicable to payments in United Kingdom currency in respect of the dividends listed hereunder is £1 = 2,973,011.

Name of Company in which is incorporated in the Republic of South Africa	Dividend	Rate of dividend per share (SA cents)	U.K. Currency per Share
Vaal Reefs Exploration and Mining Company Limited	41	60 cents	40.97210p
Western Deep Levels Limited	30	45 cents	30.05407p

[Handwritten signature]

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R. L. POLK & CO., publishers of the famous "Who's Who" directories, seeks a sales representative for Western Europe, including U.K. Extensive travel and sales experience essential. All replies will be held in strictest confidence. Send detailed resume of experience and salary history to: V.P./INTERNATIONAL MARKETING, R. L. POLK & CO., P.O. Box 1340, Nashville, TN 37202, U.S.A.

TRADE UNION ASSISTANT SECRETARY
Applications are invited for appointment as a trade union official in the grade of Assistant Secretary. Salary scale £3589 to £5191 inclusive. Salary review is expected in April 1977. Details and application form from: The Secretary, GLC Staff Association, 164/168 Westminster Bridge Road, London SE1 7JW for return by 31 February, 1977.

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LEGAL NOTICES
In the HIGH COURT OF JUSTICE, Chancery Division, Companies Court, in the Matter of THE NATIONAL UNION OF TEACHERS (INCORPORATED IN ENGLAND) and in the Matter of THE NATIONAL UNION OF TEACHERS (INCORPORATED IN ENGLAND) (in liquidation).
NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 11th day of January 1977 presented to the said Court by the petitioners named in the Schedule to this Notice. The said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2A, on the 17th day of February 1977, at 10 o'clock in the forenoon. Any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his counsel, for that purpose, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

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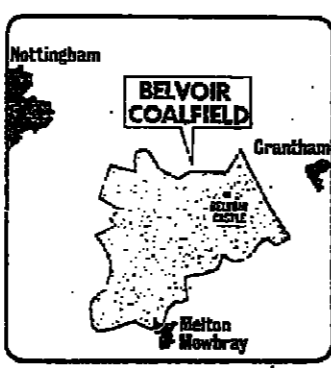
HOME NEWS

Protests as Coal Board steps up Belvoir plans

By Roy Hodson

THE National Coal Board yesterday outlined plans for four possible pit sites in the Vale of Belvoir. It also announced that the coalfield, one of the biggest discovered in Europe, contained at least 500m. tons of recoverable coal worth £25m.

Immediate protests from resident groups concerned with protecting the beauty of the vale, a famous stretch of hunting country in the East Midlands, centred on the Duke of Rutland whose castle sits on the coal.



300m. tons of coal. A production rate of much more than 3m. tons of coal a year is being officially estimated. The true rate is expected to be in the region of 10m. tons a year.

New medical scanner launched

By David Fishlock

A SECOND British computerised instrument for medical diagnosis was launched in London yesterday, although its inventor, J and P Engineering, took pains to present it as complementary rather than as a less expensive rival.

The development of the Tomoscanner in the past two or three years has been a well-kept secret of its inventors, although papers on the instrument were read by medical authorities at two conferences last autumn.

House prices due to jump according to Abbey National

By Michael Cassell, Building Correspondent

HOUSE PRICES could begin to rise more rapidly by the spring, according to the Abbey National Building Society.

Mr. H. L. P. Timberlake, chief general manager, said in London yesterday that he believed house prices were due to jump, although he did not expect the increase to be anything like as substantial as in 1972-73.

There was still a significant volume of pent-up demand for homes, despite record interest rates, and the evidence was that incomes had risen sufficiently to enable prospective purchasers to afford the necessary repayments.

1977, the year could be a good one for building society lending. He was not at this stage discounting the idea that the entire movement could, after all, equal last year's combined lending total of just over £600.

But, Mr. Timberlake said a big rise in mortgage advances in the second half of the year could combine with other market factors to produce significant increases in second hand house prices after a prolonged period of stability and even stagnation.

The current recession in new private housing output could not end until second hand house prices rose, as these determined prices throughout the market.

builders could be encouraged to believe that profit margins on new homes again made building a worthwhile proposition.

Mr. Timberlake emphasised, however, that he did not believe such an increase would happen suddenly or even that such a move was necessarily desirable, but this would have to occur before new housing work picked up.

Lord Hill, chairman of Abbey National, welcomed the continuing fall in general interest rates, and more significantly, yesterday's fall in bank base and deposit rates.

APPOINTMENTS

Kenneth Robinson to be chairman of Arts Council

Mr. Kenneth Robinson, is to become chairman of the ARTS COUNCIL OF GREAT BRITAIN in succession to Lord Gibson, whose term of office expires on April 30.

Mr. Robinson's appointment is for five years from May 1, 1977 to April 30, 1982. As in the case of his predecessors, the position will be part-time and voluntary.

on behalf of Ozald International for the group's other investments in the Western Hemisphere in Canada, Central and South America, and Mr. E. F. Lewis, a director of Ozald Group Holdings and group marketing director, will join the Board of Ozald International.

Mr. J. G. MacKinnon will retire from the Board of CAPE INDUSTRIES from January 29. He also retires as chairman of Cape Asbestos, South Africa. Mr. P. J. on the same date but will remain on the Board of that company as deputy chairman.

Safety fall 'may be part cause of high casualties'

By our shipping correspondent

SUGGESTIONS that the record number of shipping casualties last year may be partly due to a decline in safety standards came from the Institute of London Underwriters yesterday.

The total loss last year of 208 vessels amounting to more than 1.2m. gross tons provided a gloomy background to the annual general meeting of the Institute.

U.S. 'not hostile to patents'

By A. H. Hermann, Legal Correspondent

Judges are said to be hostile to patents is to prevent an explosion of litigation. Along with an unusually inept presentation by counsel it may have caused some of our courts to employ language which if taken literally would destroy every patent ever issued.

Patents are a means of obtaining disclosure of new inventions; the U.S. "wants disclosures and to avoid reliance on trade secrets," said Mr. Markey.

Pressure for shipbuilding plan

By John Wyles, Shipping Correspondent

Lords, is unlikely to reach the Statute Book before the summer.

Three quit stockbrokers

By Keith Lewis

TWO full partners and one employee are leaving stockbrokers, Hedderwick Stirling Grumbar to join the rival firm of W. I. Carr.

May date for Private Eye trial

By Sir James Goldsmith's criminal

action against the magazine Private Eye for libel, Mr. Richard Ingrams, has been fixed for trial at the Old Bailey on May 16.

Tax cuts plan

A complete freeze on wages in return for substantial tax cuts is proposed in a paper by Mr. Michael Young, chairman of the National Consumer Council.

Ship post

Mr. Roy Brown, deputy director of the Shipbuilders and Repairers' National Association, has been appointed the first director of the Association of West European Shipbuilders (AWES).

Price rise

Esso Chemical has increased prices for isopropyl alcohol (IPA) by 10 per cent, because of further increases in costs.

Energy-saving

The Department of Energy has launched a service for industry and commerce to improve the efficiency of space heating. The Government hopes that, by issuing climatic data, it will help companies to monitor the operation of their heating systems.

Freight costs

The Institute of Freight Forwarders is recommending to its members that, because of rising costs, their handling and documentation charges for air transport out of Heathrow Airport should be increased by between 15 and 20 per cent.

By degrees

Three out of four teachers at maintained grammar schools were graduates, two in five at comprehensive, and one in five at secondary modern schools, according to statistics for 1974, just published by the Department of Education and Science.

More fly away

The seven U.K. airports run by the British Airports Authority dealt with a record 33.4m. passengers last year, an increase of 8.5m., or nearly 10 per cent, on 1975.

2,800 oil platform jobs may be lost

By Ray Perman, Scottish Correspondent

THE BRITISH yards building concrete platforms for North Sea oilfields—Sir Robert McAlpine and Sons, at Ardross Point and Howarth-Doris, at Loch Kishorn—are likely to pay off virtually their entire work forces by the autumn with the loss of up to 2,800 jobs.

Despite optimistic statements by Energy Ministers and the confidence expressed by Mr. Albert Granville, managing director of Howarth-Doris, which is viewed with scepticism by the rest of the industry, tenders are not expected to be invited for a new concrete structure until at least the summer, with the first order not expected before the end of the year or early next year.

McAlpine has one empty berth and two others will become vacant this summer. Some 1,600 men are employed there, and about two-thirds from Glasgow or other local towns.

Howard-Doris, which is building the Ninan central platform, expected to be delivered this summer, employs 1,200 of which more than one-third live locally.

The situation with the four steel fabrication yards is brighter. Two fields, Merchiston and Tartan, could go out to tender this summer, although competition for the orders will be fierce.

No decision

The concrete constructors have strong hopes for an order from Shell-Esso for either the Tern Field or Cormorant B, or from BP for Magnus.

Howard-Doris has a letter of intent from Total, but only if it decides to develop the Alwyn Field or the unnamed Block 3/8, and only if it opts for a concrete platform. No decision has been made.

Shell has been engaged in design talks with McAlpine and its French partner, Sea Tank, for a year in order to try to avoid the design changes that contributed to last year's delays on the Cormorant A and Brent C platforms which are to be towed to Norway for completion this summer.

In response to criticism Sea Tank has produced a design for a platform that can be fully loaded with 20,000 to 30,000 tonnes of deck structures and equipment in Scottish waters. Shell recently told the firm that it is in no hurry to order and may be thinking of a much smaller platform.

May date for Private Eye trial

By Sir James Goldsmith's criminal

action against the magazine Private Eye for libel, Mr. Richard Ingrams, has been fixed for trial at the Old Bailey on May 16.

Two weeks have been set aside for the hearing which has been delayed because of pressure of work in the criminal courts. Separate litigation over civil law suits between Sir James and Mr. Ingrams has been taking place in the High Court.

Mr. Lewis Hawser, QC, will prosecute Counsel for Mr. Ingrams will be Mr. James Comyn, QC.

Government nears goal on offshore oil stake

By Ray Dafter, Energy Correspondent

THE GOVERNMENT is nearing under arrangements similar to those with Mobil completion of arrangements for offshore oil.

The Beryl Field deal is complete with two more important fields with two more important deals announced yesterday. State, through the British Gas and Mossanto.

The three private companies Corporation, already has a subsidiary involved in the development of the Beryl Field—Mobil, Texas Eastern and Amerada Hess, which has signed memoranda of principle with the British and an effective voice with special National Oil Corporation the voting rights. The State-owned oil corporation will not carry the 51 per cent of the oil production power of veto, however, decided.

Mr. Anthony Wedgwood Benn, the Energy secretary, said that the arrangements would fully meet the Government's participation objectives while safeguarding the financial interests of the companies.

Both sets of agreements are modelled on the deal announced recently by Shell, Esso and the Government. As with these two deals, the Wedgwood Benn has concluded an agreement with all the major large refining and marketing operators in the U.K. The U.S. Amoco group, agreements are aimed at providing them with security of North Sea oil supplies.

So it has been agreed that Mobil and Esso can buy back up to 100 per cent of all participation of new exploration licences under the fifth round of allocations Eastern and Amerada Hess, the agreement states that should either company refine in the U.K., BNOOC will be willing to sell back participation in those resisting participation.

terms might be left out of the field. Mobil.

Tricentrol has completed sale of two North Sea concessions for a total sum of £1.65m. The group said yesterday that it is 10 per cent stakes in block Eastern and Amerada Hess, which has signed memoranda of principle with the British and an effective voice with special National Oil Corporation the voting rights. The State-owned oil corporation will not carry the 51 per cent of the oil production power of veto, however, decided.

The deal, referred to in the U.K. group has been reimbursed for all expenditure on the blocks since February last year. The arrangement follows transfer of interests in a number of blocks. Last week, for instance, it was announced that Ashland Oil and Louisiana Land and Exploration Company had reached a definitive agreement with Shell to acquire a bigger stake in the Brae Field. If the deal is concluded Bow Vale will receive £8.7m. in payment on loans.

An even bigger transfer arrangement involving over £50m. is being negotiated by either company refine in the U.K., BNOOC will be willing to sell back participation in those resisting participation.

Priority call on manager training

By Sue Cameron

COMPANIES COULD increase their effectiveness if they were to make their development programmes more prepared to give greater priority to the training and development of managers, according to a discussion paper prepared by the Training Service, own knowledge and skills, and should not sit back and wait for management development in their organisations to be brought up to date.

But it points out that some management organisations may be holding back their ambition and are not always geared to meet the needs of a particular industry or organisation. The document is being circulated among interested bodies such as the Confederation of British Industry, the British Institute of Management, the Association of Teachers of which executives would not be allowed to take responsibility for their own development.

The document says that the British Institute of Management, the Association of Teachers of which executives would not be allowed to take responsibility for their own development.

The discussion paper follows an earlier draft which was more explicit in suggesting the TSA should play a much greater part in the management development and training within both their own industries. This would industrial training boards.

Publishers 'immensely fortunate'

By Michael Thompson-Noel

DESPITE the traumas of recent years, the opportunities in the publishing and printing industries were better than many people believed. Mr. Alec Jarratt, chairman and chief executive of Reed International, said in London last night.

Some of these engaged in newspaper publishing had made minor adjustments into epidemic proportions, he added. "What we are really suffering from is a series of self-inflicted wounds, and what we really need is a major breath of fresh air through parts of our activity, some unaccustomed exercise in others, and the right inducements and frame of mind to enjoy both."

Mr. Jarratt was delivering the 1977 Lecture at the Stationers' Hall to the Worshipful Company of Stationers and Newspaper Makers.

"What we too rarely proclaim is that—in other than financial terms—and even these are not as bad as we pretend—are immensely rich and fortunate. Although I re-quentl threatened, publishers in Britain retained the right to publish and to publish what they chose provided it was economically viable."

Three quit stockbrokers

By Keith Lewis

TWO full partners and one employee are leaving stockbrokers, Hedderwick Stirling Grumbar to join the rival firm of W. I. Carr.

Mr. David Dickson, senior partner of W. I. Carr, said yesterday that the three, Mr. John Shelbourne and Mr. C. J. B. Whitehead, partners, and Andrew Kent, would be integrated with Carr's existing international business.

They are expected to specialise in institutional business, Australian shares and in what Carr believes will be an increasing worldwide interest in traded options.

A spokesman for Hedderwick Stirling said: "These are good people and we are sorry to see them go." He stressed that the parting "is very friendly, and there are no problems at all."

The three are understood to be buying an equity stake (undisclosed) in W. I. Carr. The move has apparently resulted from an introduction by a mutual institutional client.

Trade and Industry advertisement with logo and contact information. Text includes: 'FOR THOSE WHO NEED TO KNOW', 'Every Friday, Trade and Industry brings exclusive news and information of prime importance to businesses large and small. Its direct access to official sources means it can publish a wealth of unique data on trade, industry, exports, prices, EEC and statistics. For a free sample copy, ring 01-215 5021 or 5730. Or post the coupon.'

Handwritten signature or stamp at the bottom of the page.

This advertisement is issued in compliance with the Regulations of the Council of the Stock Exchange for the purpose of giving information to the public with regard to Amalgamated Stores Limited ("the Company") following the Company's agreement to acquire five properties including certain freehold and leasehold properties in London, SW1, and to make an offer to purchase the shares of the Company...

AMALGAMATED STORES LIMITED

(Incorporated under the Companies Act 1963/Registration No: 50417 England)

SHARE CAPITAL

10 per cent. Cumulative Preference Shares of £1 each (reduced to 4.55 per cent. by the Finance Act 1972) £1,000,000
Ordinary Shares of 5p each £885,000

Issued and to be issued fully paid £

115,000 71,321
885,000 *781,005
£1,000,000 £852,326

LOAN CAPITAL

8 per cent. Convertible Unsecured Loan Stock 1979

Now to be Issued £25.50

At the close of business on 31st December, 1976, being the latest date reasonably practicable prior to the date hereof this Company and its subsidiaries other than Ulverston ("the Existing Group") had outstanding secured bank borrowings of £131,395 an unsecured loan of £11,000 and a contingent liability of £8,750 and Ulverston had outstanding mortgages of £125,000 and unsecured loans of £38,712. Save as aforesaid and apart from inter-company loans and guarantees, neither Ulverston, the Company nor any of its subsidiaries had outstanding at that date any loan capital, bank overdrafts or other similar indebtedness, mortgages, charges, hire-purchase commitments, guarantees or other material contingent liabilities.

* This figure excludes the 1,720,000 Ordinary Shares of 5p each which would arise on full conversion of the Stock

DIRECTORS
MR. LOUIS WINTON (Chairman), The Grange, Thurlow, Haverhill, Suffolk.
MR. DAVID WOLFE GREY, 32, Eastham, London, N.W.11.
MR. ROY MALCOLM NOBBS, 37, Clarence Parade, Southsea, Hants.
MR. FRANK PHILLIPS (Managing), 11, Southwick Place, London, W.2.
MR. STANLEY WISE, 5, Carlos Place, Mount Street, London, W.1.

SECRETARY AND REGISTERED OFFICE
DAVID WOLFE GREY, F.C.A., 118/119 Newgate Street, London, EC1A 7AE.

AUDITORS AND REPORTING ACCOUNTANTS
THORNTON BAKER & CO. (Chartered Accountants), Fairfax House, Fulwood Place, London, WC1V 6DW.
BANKERS
BARCLAYS BANK LIMITED, 19/21, Brook Street, London, W1A 4AJ.
BROKERS
PAUL E. SCHWEDER MILLER & CO., Pinners Hall, Austin Friars, London, EC2N 2HS and The Stock Exchange.
SOLICITORS
HERBERT SMITH & CO., 82, London Wall, London, EC2R 7JP.
REGISTRARS
WILLIAMS & GLYNS REGISTRARS LIMITED, 16, Old Broad Street, London, EC2.

A. THE EXISTING GROUP

HISTORY AND BUSINESS OF THE COMPANY
The business was founded in 1885 as an outdoor furniture and after seven years' trading, was transferred to "Blackburn & Son, Limited" upon the company's incorporation on 21st July, 1892. The Company traded on the London Stock Exchange from 1928 to 1931 when it was taken over by the parent company, Blackburn & Son, Limited, and the business of Blackburn & Son, Limited was transferred to the parent company.

In July 1928 the whole of the issued share capital of the Company was acquired by Kinward Holdings Limited a subsidiary of the parent company, Blackburn & Son, Limited, and the business of Blackburn & Son, Limited was transferred to the parent company.

In June 1929 the Company was re-constituted as a public company and the ordinary share capital of the Company was granted by the Council of the Stock Exchange, London.

In 1961, the Company ceased trading and sold the greater part of its assets, including its interest in English Stores, and its stores at Sandringham, Stockton-on-Tees, West Hartlepool and Barrow-in-Furness. The Company transferred its name to Amalgamated Stores Limited with effect from 31st March, 1962, and in 1962, the Company acquired the issued share capital of "J. Schreiber Limited" for cash and the issue of shares, and in 1963 the Company acquired the issued share capital of "Brysons Limited", which company owned twelve half million shares in the stock of England.

Towards the end of the 1960s, it became apparent that the Company was in financial difficulties and efforts were made to improve its position. These included a proposal that the businesses of "Nilets Stores (St. Pauls) Limited" and "A. C. Millett & Company Limited" be acquired by the Company but this proposal was abandoned, although the Nilets family acquired control of a share in Nilets Stores Limited.

In June 1972 the Company disposed of its interests in its trading subsidiaries, "Brysons Limited" and "J. Schreiber Limited" for a consideration of £5 and in exchange for an indemnity against further losses for guarantees given by the Company in respect of these companies. Since that time the Company has not acted as a store but has retained ownership of the existing property interests referred to below.

The Company is now a holding company providing management services for its wholly owned subsidiaries whose principal activities are the management of property investments. No transfers of property between the Company (as far as its interests in the Company are concerned) other than those disclosed in this advertisement.

THE EXISTING PROPERTY INTERESTS
The Existing Group owns the property interests particulars of which are set out below ("the Existing Property Interests"). The Company's interest in 114 Yarmouth Place, London, W.1, has been valued by Jones, Lang, Wootton & Co. on 20th April, 1976 and is reproduced below. The values placed on the remainder of the Existing Property Interests are the Directors' estimates of their open market values in their existing state as at 30th September, 1976. On the basis of these valuations, the Existing Property Interests have an aggregate value of £121,450.

(a) The following is a copy of Jones, Lang, Wootton's valuation of 114 Yarmouth Place, London W.1, 2nd August, 1976.
V. Rowe Esq.,
Amalgamated Stores Limited,
119 Newgate Street,
LONDON, EC1A 7AE.

Re 114 Yarmouth Place, London, W.1.
In accordance with your instructions, dated 16th March, 1976, to value the interest in and open relating to properties mentioned above, we have carried out inspections made relevant local enquiries and obtained such other information as we consider necessary for the purpose of preparing for you with our opinion of value as at 30th April, 1976.

We are advised that the interest is an option to purchase the residue of a lease for a term of 56 1/2 years on 25th December, 1988, at a rent of £20,500 per annum, together with the right to receive 30 per cent of the net, subject to a maximum of £10,000 per annum, until 23rd March, 1983, or such date of the option whichever is the earlier.

We have not read any documents of title, leases or agreements and for the purpose of the valuation we have accepted the details of lease, present and proposed lettings, floor areas (except where plans have been provided or where we considered it necessary to measure the properties), planning consents and all other relevant information which you have supplied to us. We assume that the properties are free of encumbrances, mortgages or other outgoings of an onerous nature, except those which have been indicated to us which would affect the value. We have further assumed that no Statutory Notices or claims for disclaimers by superior landlords are outstanding.

No structural surveys have been made, but in the course of our inspection we did not note any serious defects. We are not however able to report that the property is free of rot, infestations or any other defects. This was noted out to you at the time of the valuation.

Our letter of 30th April, 1976, provides information on the details of tenure and tenancies on which our valuation is based.

Our valuation does not take account of any rights, obligations or liabilities, whether prospective or accrued for the Defective Premises Act 1972.

The valuation as set out below is our opinion of the open market value of the property as at 30th April, 1976. We have not taken into account any special value which the interest may have to other parties with interests in the property and no alternative has been made for any tax purposes. Our valuation is based on the basis mentioned above at the relevant date.

Neither the whole nor any part of this Certificate of valuation is to be relied upon in any proceedings, circular or agreement without our written approval of the form and content in which it would appear. Finally and in accordance with our standard practice, we must state that this Certificate is for the use only of its contents. Jones, Lang, Wootton, is not responsible for any loss or damage which may be suffered by any person in reliance on this Certificate.

SCHEDULE
Estimated Net Annual Current Rental Value before Income Tax and Corporation Tax

Description and Tenure	Terms of Tenants' Leases or Undertakings	Estimated Net Annual Current Rental Value before Income Tax and Corporation Tax
Yarmouth Modern office building with garage.	1. Ground floor offices let to Gemba Almonds Limited on full repairing and insuring terms for a term of 99 years from 25th December, 1969 at a current rent of £20,500 per annum exclusive of 30 per cent of the net, subject to a maximum of £10,000 per annum, until 23rd March, 1983, or such date of the option whichever is the earlier.	£,000 £26,000
2. Offices on 1st, 2nd and 3rd floors let to Kinward Company Limited on full repairing and insuring terms for a period of 21 years 9 months from 23rd March, 1966, at a current rent of £2,500 per annum exclusive.		
3. 4th Floor offices let to Transoiled Oil Incorporated from March 1976 until 23rd July, 1978 at an initial rent of £2,500 per annum exclusive of rates, until 23rd December, 1977, whereafter the rent payable will be £2,500 per annum exclusive.		

(1) See para. 13 to paragraph 6 below.
(2) See Jones, Lang, Wootton's letter dated 22nd December, 1976, set out in paragraph 6 (c) below.
(b) The following are brief particulars of the other Existing Property Interests.

Description and Tenure	Terms of Tenants' Leases or Undertakings	Estimated Net Annual Current Rental Value before Income Tax and Corporation Tax
he Butts, Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole premises are let to Judd Timber Products Limited who is holding over in occupation pursuant to the terms of the Landlord and Tenant Act 1954 under a lease dated 1st July, 1973 for a term of 99 years from 1st July, 1973 at an annual rent of £200 on full repairing and insuring terms, the tenant being liable to refund the landlord's expenditure on insurance.	£20,000
14 Street Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole premises are let to Joyrestech Manufacturing Company Limited pursuant to a lease dated 7th December, 1973 for a term of 99 years from 7th December, 1973 at an annual rent of £2,000 on full repairing and insuring terms, the tenant being liable to refund the landlord's expenditure on insurance.	£2,500
6, Glasgow Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole premises are let to David Smith pursuant to a lease dated 30th March, 1973 and 18th April, 1973 for a term of 99 years from 30th March, 1973 at an annual rent of £500 on full repairing and insuring terms.	£10,000
14, Waterloo Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole premises are let to Patrick Murray pursuant to a lease dated 1st May, 1973 and 13th August, 1973 for a term of 99 years from 1st May, 1973 at an annual rent of £500 on full repairing and insuring terms.	£1,000
14, Waterloo Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole premises are let to Henry Ross pursuant to a lease dated 30th March, 1973 and 18th April, 1973 for a term of 99 years from 30th March, 1973 at an annual rent of £200 on full repairing and insuring terms.	£1,500
14, Waterloo Shop premises, Freehold estate vested in Amalgamated Stores Investments Limited.	The whole of the premises are let to Francis Cannon pursuant to a lease dated 1st December, 1976 for a term of 99 years from 1st December, 1976 at an annual rent of £200 on full repairing and insuring terms.	£4,000

B. FINANCIAL INFORMATION REGARDING THE EXISTING GROUP

(a) Turnover, profit and appropriations of the Existing Group for the period from 1st August, 1971 to 30th September, 1976—

1976	1975	1974	20 months ended 30th September 1976	20 months ended 30th September 1975	Unaudited 20 months ended 30th September 1974
Proceeds from sale of properties	17,200	108,619	51,250	333,699	53,000
Rental income	11,308	9,251	7,724	24,529	50,100
Sales from a shop	—	—	10,448	—	—
Interest receivable	—	—	—	—	—
Expenses	28,208	115,450	62,472	374,249	25,300
Profit/Loss before taxation	10,292	102,420	46,926	183,979	117,800
Taxation	—	—	—	—	(42,200)
Profit/Loss after taxation	10,292	102,420	46,926	183,979	75,600
Balance brought forward	(33,119)	(10,425)	(2,522)	(10,425)	(26,915)
Balance carried forward	£77,173	£91,995	£44,404	£193,954	£48,685

(b) Unaudited consolidated balance sheet of the Existing Group at 30th September, 1976—

Fixed Assets	£	£
Freehold properties	54,000	—
Yarmouth Place Option at valuation	49,000	—
Current Assets	—	198
Loans to Director	—	25,000
Debtors	—	26,188
Current Liabilities	—	45,51
Creditors	—	2,527
Taxation	—	17,028
Loans and overdrafts	—	15,956
Net Current Liabilities	(18,97)	—
Reserves	—	179,985
Share Capital	—	1,000,000
Preference Shares	—	271,000
Ordinary Shares	—	729,000
Reserves	—	179,985

Notes:
1. The freehold properties are shown at directors' valuation at 30th September, 1976. The cost of these properties was £67,088. Since 30th September, 1976 one property has been sold for £2,000. Such property has been included in the above balance sheet at this value.
2. The loan to Director which was made in contravention of the Companies Act 1948 S.109 was repaid on 16th January, 1977.
3. The mortgage of £5,000 was on the property sold subsequently to 30th September, 1976, referred to in Note 1 above, and has subsequently been repaid.
4. There were arrears of dividend due to the holders of the Preference Shares amounting to £28,841 at 30th September, 1976.
5. A subsidiary has entered into a joint and several guarantee of £4,200 plus interest of the overdraft granted to a former fellow subsidiary. At 30th September, 1976 the overdraft, including accrued interest, amounted to £5,318.
6. In the event of a vendor reverting his verbal agreement in respect of the contract for the purchase of a property for £22,250 was paid on exchange of contracts by a subsidiary, a further verbal agreement of £20,000 will arise.

C. THE ACQUISITIONS

4. ULVERSTON
(a) Ulverston was incorporated in England on 5th September, 1964 as a property investment company. Since its incorporation Ulverston has acquired and now holds for investment, the properties in Ulverston, Cumbria ("the Ulverston Properties"), particulars of which are contained in the valuation of Jones, Lang, Wootton set out in paragraph 6 below. This report places an aggregate open market value on the Ulverston Properties of £184,000.
(b) Under the agreement for the acquisition of Ulverston (material Contract 7) referred to below the vendors of Ulverston have warranted that at completion Ulverston will own the Ulverston Properties subject to mortgages of £125,000 and the have current assets in the form of cash and sinking fund policies, taken at their current market value, which exceed Ulverston's liabilities (including the mortgages and 3-year provisions for Corporation Tax of approximately £5,000 on the potential capital gain which would arise on the disposal of the Ulverston Properties at such values and also for providing for Mortgage Corporation Tax of £2,500 on the dividends proposed at 31st March, 1976) by not less than £48,500. The cash required to be injected into the Ulverston Properties in order that this warranty may be satisfied is to be introduced by the vendors by way of subscription of further share capital and in addition all loans due to the vendors are to be converted into share capital on this basis and on the basis of the values placed on the Ulverston Properties by Jones, Lang, Wootton. Ulverston will at completion have net tangible assets of £183,500 (before making the provision referred to above). For the year ended 31st March, 1976, Ulverston had no profits before tax of £6,726 as shown in the report on Ulverston of Thornton Baker & Co. set out below. The consideration for the acquisition of Ulverston at the issue, credited as fully paid, of 2,000,000 Ordinary Shares, of 5p each of the Company.

(c) The following is a copy of the report of Thornton Baker & Co. on Ulverston: 25th January, 1977.
"The Directors, Amalgamated Stores Limited, 119 Newgate Street, London, EC1A 7AE, Gentlemen.
We have reviewed the audited accounts of Ulverston Leases Limited ("the Company") for the five years and six months ended 30th September, 1976. These accounts were prepared under the historical cost convention.
The summarized profit and loss accounts and balance sheets set out below are based on the audited accounts after making such adjustments as we consider appropriate. In our opinion these summaries, together with the notes thereto, are under the convention stated above, reasonably and fairly show the results of the Company for the periods stated and of the state of affairs of the Company at the dates stated.
No accounts have been prepared for submission to members for any period subsequent to 31st March, 1976. The accounts for the six months ended 30th September, 1976, are interim audited accounts and will not be presented to members.
ACCOUNTING POLICIES
The following paragraphs describe the main accounting bases used by the Company.
No depreciation is provided either on the freehold property or on the long leasehold property.
Rental income represents the amount receivable by the Company in the normal course of business.
RENTAL INCOME, PROFITS AND APPROPRIATIONS
The following is a summary of the Company's profit and loss accounts for the five years and six months ended 30th September, 1976 which is based on the audited accounts after making such adjustments as we consider appropriate.

1976	1975	1974	1973	1972	Six months ended 30th September 1976
Rental income	15,139	11,421	23,846	22,191	21,978
Management expenses including the items shown below for information	9,615	17,948	17,514	14,146	17,249
Profit before taxation	5,524	(6,527)	6,332	8,045	4,729
Taxation (Note 1)	—	—	—	—	—
Profit after taxation	5,524	(6,527)	6,332	8,045	4,729
Dividend (Note 2)	—	—	—	—	—
Profit retained	5,524	(6,527)	6,332	8,045	4,729
Accumulated balance brought forward	51,423	57,950	54,943	55,869	55,774
Accumulated balance carried forward	£56,947	£51,423	£61,275	£63,914	£60,503

Notes:
(1) The amount shown for taxation is made up as follows:

1976	1975	1974	1973	1972	Six months ended 30th September 1976
Corporation tax	2,277	1,400	2,844	2,844	2,844
Advance corporation tax	—	—	—	—	—
£2,277	£1,400	£2,844	£2,844	£2,844	£2,844

(2) The dividend shown as payable in the year ended 31st March, 1976 includes income tax deductible at source. The other dividends were paid or are payable under the imputation system and are shown net of advance corporation tax.
(3) Dividends per share have been calculated on the profit after taxation divided by the number of shares in issue which for all periods under review was 100 shares.

BALANCE SHEET AT 30th SEPTEMBER, 1976

The following is the balance sheet of the Company at 30th September, 1976 based on the audited accounts as at that date after making such adjustments as we consider appropriate.

Fixed Assets—Land and Buildings (Note 1)	£	£
Freehold	54,000	—
Long leasehold	—	65,000
Sinking Fund Policies (Note 2)	—	164,477
Current Assets	—	21,978
Debtors	—	26,188
Cash at Bank	—	21,978
Current Liabilities	—	45,51
Corporation tax (Note 1)	—	2,844
Proposed dividends	—	2,000
Unsecured loans	—	10,667
Net Current Liabilities	—	(18,97)
Deduct: Mortgages (Note 4)	—	(125,000)
Share Capital	—	1,000,000
Retained Earnings	—	179,985

SUMMARY OF BALANCE SHEETS FOR SIX YEARS AND SIX MONTHS ENDED 30th SEPTEMBER, 1976

The following is a summary of the Company's audited balance sheets for the six years and six months ended 30th September, 1976 after making such adjustments as we consider appropriate.

1971	1972	31st March 1973	1974	1975	30th September 1976
Fixed Assets—Land and Buildings	—	—	—	—	—
Freehold	—	—	—	—	—
Long leasehold	—	—	—	—	—
Sinking Fund Policies	—	—	—	—	—
Current Assets	—	—	—	—	—
Debtors	—	—	—	—	—
Cash at Bank	—	—	—	—	—
Current Liabilities	—	—	—	—	—
Corporation tax	—	—	—	—	—
Proposed dividends	—	—	—	—	—
Unsecured loans	—	—	—	—	—
Net Current Liabilities	—	—	—	—	—
Mortgages	—	—	—	—	—
Share Capital	—	—	—	—	—
Retained Earnings	—	—	—	—	—

5. THE NEW PROPERTIES

(a) The consideration for the acquisition of the New Properties, particulars of which are set out in the valuation reports of Jones, Lang, Wootton and Ashford & Co. is a product of paragraph 6 below, is the sum of £191,000 to be satisfied as to £495,000 by the issue of fully paid £120,000 ordinary shares of 5p each in the Company, as to £207,000 by payment in cash and as to £219,000 by the acquisition of the freehold and long leasehold mortgages for that amount on one of the New Properties. The valuation of Jones, Lang, Wootton and Ashford & Co. reproduced in paragraph 6 below places an aggregate open market value on the New Properties of £191,000.

(b) Set out below is a summary of the net rental income receivable during the five years and six months ended 30th September, 1976 for four of the New Properties. This information has been supplied to the Directors by the vendors of the New Properties. No information has been included for the three properties as this has not been previously let.

1972	1973	1974	1975	1976	Six months ended 30th September 1976
Rents receivable	—	—	—	—	—
30 Clifton Street, EC2	—	—	—	—	—
2 Lowndes Street, SW1	—	—	—	—	—
147 1/2 Kings Road, SW3	—	—	—	—	—
Factory A & B, Paddock Street, Norwich	—	—	—	—	—
Rents payable	—	—	—	—	—
30 Clifton Street, EC2	—	—	—	—	—
2 Lowndes Street, SW1	—	—	—	—	—
147 1/2 Kings Road, SW3	—	—	—	—	—
Factory A & B, Paddock Street, Norwich	—	—	—	—	—
Net rental income	—	—	—	—	—
30 Clifton Street, EC2	—	—	—	—	—
2 Lowndes Street, SW1	—	—	—	—	—
147 1/2 Kings Road, SW3	—	—	—	—	—
Factory A & B, Paddock Street, Norwich	—	—	—	—	—

6. VALUATION REPORTS REGARDING THE ULVERSTON PROPERTIES AND THE NEW PROPERTIES

(a) The following is a copy of the valuation of Jones, Lang, Wootton as at 30th April, 1976 of four of the New Properties and the Ulverston Properties— 26th August, 1976
V. Rowe Esq.,
Amalgamated Stores Limited,
119 Newgate Street,
LONDON, EC1A 7AE.
Dear Sir,
30 Clifton Street, London, EC2.
2 Lowndes Street, London, SW1.
Common House and Glynns House, Ulverston, Cumbria.
Units A and B, Paddock Street, Norwich, Norfolk.

In accordance with your instructions, dated 16th March, 1976, to value the freehold and leasehold properties mentioned above, and your subsequent instructions to value the leasehold interest in 147 and 121 Pines 1976, London, SW3, we have carried out inspections, made relevant local enquiries and obtained such other information as we consider necessary for the purpose of providing you with our opinion of the value of the properties as at 30th April, 1976. We have further assumed that no Statutory Notices or claims for disclaimers by superior landlords are outstanding.

No structural surveys have been made, but in the course of our inspection we did not note any serious defects. We are not however able to report that the properties are free of rot, infestation or any other defects. This was noted out to you at the time of the valuation.

Our letter of 20th April, 1976, provides information on the details of tenure and tenancies on which our valuation is based.
Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972.

Amalgamated Stores Limited (continued)

The valuation is set out below in our opinion of the open market value of the properties as at 30th April 1976. We have not taken into account any special value which the various interests may have in connection with the properties and the advantages which may be derived from the various interests in the properties which are the subject of a disposal, or otherwise. In our opinion, the above valuation represents the open market value of the properties on the basis of the information available to us.

ONE MILLION AND FIFTY THOUSAND POUNDS

The valuation is set out below in our opinion of the open market value of the properties as at 30th April 1976. We have not taken into account any special value which the various interests may have in connection with the properties and the advantages which may be derived from the various interests in the properties which are the subject of a disposal, or otherwise. In our opinion, the above valuation represents the open market value of the properties on the basis of the information available to us.

SCHEDULE

Property	Description and Tenure	Estimated Value	Estimated Profit/Loss
44 Clifton Street, London E.C.2.	Office and showroom on ground floor and first floor of approximately 12,000 sq. ft. together with 12 parking spaces. Leasehold for a term of 15 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	17,000	15,000
3 Lombard Street, London S.W.1.	Residential property on basement ground and 4 upper floors. Leasehold for a term of 15 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	12,000	11,000
14-15 Kings Road, London S.W.2.	Part of a terrace of properties comprising shops and offices on ground and basement levels together with 12 parking spaces. Leasehold for a term of 15 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	9,500	8,500
Factories A and B, Fiddlers, Norfolk.	Leasehold for a term of 99 years from 29th May 1965 at a net rent of 15 shillings per acre subject to a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	3,400	3,000
Modern office buildings, two floors with shops at ground level.	Leasehold for a term of 15 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	9,400	7,000
Shop let to Lifford Laundry Holdings Ltd.	Leasehold for a term of 21 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	11,000	10,000
Entire office accommodation and parking spaces at the Secretary's House.	Leasehold for a term of 15 years from 25th June 1967 at a net rent of £200 per annum with provision for a 10% increase in 1978, 1983 and 1988. The value is based on a yield of 10%.	12,100	11,000

(c) The following is a copy of the valuation of Aylward & Co. as at 30th August, 1976 regarding one of the New Properties:-

The Directors of Amalgamated Stores Limited, 115-119 Newgate Street, London E.C.1A. Dear Sirs,

Re: Hans House, Hans Street, S.W.1.

In accordance with your instructions dated 28th August, 1976, we have inspected and carefully considered the above property, and the various interests therein, and on the basis of information as to the nature, extent and value of the property and the interests therein, we have prepared the following valuation of the property and the interests therein as at 30th August, 1976, and our opinion of the value of the property and the interests therein as at that date.

Estimated Value: £18,300
Present Capital Value in Excess of State: £9,000

The following is a copy of a letter from Aylward & Co. regarding their valuation:-

21st December, 1976

The Directors of Amalgamated Stores Limited, 115-119 Newgate Street, London E.C.1A. Dear Sirs,

Re: Valuation - Hans House, Hans Street, S.W.1.

We refer to our letter of 28th August 1976 in connection with the above matter and confirm that our valuation of the property and the interests therein is based on the information available to us.

C. THE ENLARGED GROUP

7. MANAGEMENT OF THE COMPANY AND ITS SUBSIDIARIES INCLUDING ULVERSTON ("THE ENLARGED GROUP")

Upon completion of the above mentioned acquisitions Mr. F. Phillips and Mr. Stanley Wise will join the board of the Company and Mr. R. M. Nobbs and Mr. D. W. Grey will remain as directors. Mr. F. Phillips will remain as a director and will continue to be responsible for the day to day management and administration of the Company. Mr. Stanley Wise will be responsible for the day to day management and administration of the property portfolio which he has acquired. Mr. R. M. Nobbs and Mr. D. W. Grey will continue to be responsible for the day to day management and administration of the property portfolio which they have acquired.

8. LOAN FACILITIES AND CONVERTIBLE UNSECURED LOAN STOCK

The Company has been granted a loan facility of £250,000 from the Commercial Union Assurance Co. Ltd. on the basis of a floating charge over the assets of the Company. The loan is repayable over a period of 10 years with interest at the rate of 10% per annum. The Company has also issued convertible unsecured loan stock of £250,000 at a price of 100% with a maturity date of 31st December 1987. The loan stock is convertible into ordinary shares of the Company at the option of the holder at any time prior to 31st December 1987.

9. WORKING CAPITAL

The Company has been granted a loan facility of £250,000 from the Commercial Union Assurance Co. Ltd. on the basis of a floating charge over the assets of the Company. The loan is repayable over a period of 10 years with interest at the rate of 10% per annum. The Company has also issued convertible unsecured loan stock of £250,000 at a price of 100% with a maturity date of 31st December 1987.

10. BALANCE SHEET OF THE ENLARGED GROUP

	£	£
Fixed Assets	1,000,000	1,000,000
Current Assets	1,000,000	1,000,000
Current Liabilities	(1,000,000)	(1,000,000)
Net Current Liabilities	(1,000,000)	(1,000,000)
Share Capital	1,000,000	1,000,000
Reserves	1,000,000	1,000,000
3 per cent. Convertible Unsecured Loan Stock 1979	1,000,000	1,000,000

NOTES

1. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

2. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

3. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

4. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

5. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

6. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

7. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

8. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

9. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

10. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

11. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

12. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

13. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

14. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

15. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

16. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

17. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

18. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

19. The figures shown in the balance sheet are based on the unaudited consolidated balance sheet of the Enlarged Group as at 30th September, 1976, adjusted to reflect the value of the properties and the interests therein as at 30th August, 1976.

(b) The following is a copy of a letter from Paul E. Schweder Miller & Co. to the Directors of the Company:-

21st January, 1977

The Directors of Amalgamated Stores Limited, 115-119 Newgate Street, London E.C.1A. Dear Sirs,

We refer to the forecast made by you on 20th January 1977 and the forecast for the year ending 31st March 1977. We have considered the forecast and on the basis of the information available to us, we are of the opinion that the forecast is realistic and that the Directors of Amalgamated Stores Limited are justified in publishing the forecast.

12. SHARE CAPITAL

12.1. The following is a copy of the valuation of Aylward & Co. as at 30th August, 1976 regarding one of the New Properties:-

The Directors of Amalgamated Stores Limited, 115-119 Newgate Street, London E.C.1A. Dear Sirs,

We refer to our letter of 28th August 1976 in connection with the above matter and confirm that our valuation of the property and the interests therein is based on the information available to us.

13. ARTICLES OF ASSOCIATION

The Articles of Association of the Company contain provisions (inter alia) to the following effect:

(a) Upon a show of hands every member entitled to attend and vote at general meetings of the Company (being an individual) is present in person or (being a corporation) is present by proxy or by attorney or by any other person authorized in that behalf by the member or the corporation or by any other person authorized in that behalf by the member or the corporation.

(b) The Cumulative Preference Shares do not carry the right to receive notice of or to attend or vote at any general meeting of the Company or to exercise any other rights or powers of a shareholder in respect of the shares.

(c) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(d) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(e) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(f) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(g) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(h) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(i) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(j) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(k) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(l) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(m) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(n) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(o) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(p) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(q) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(r) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(s) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(t) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(u) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(v) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(w) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(x) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(y) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(z) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(aa) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ab) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ac) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ad) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ae) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(af) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ag) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ah) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

(ai) The right to receive notice of or to attend or vote at any general meeting of the Company shall be exercisable by the holder of the shares in person or by proxy or by attorney or by any other person authorized in that behalf by the holder or the corporation or by any other person authorized in that behalf by the holder or the corporation.

Notes:-

(a) We are informed that the houses will commence on 1st May 1976 at the full rent specified in the lease. The estimated rental is based on the income from the houses as from 1st May 1976.

(b) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(c) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(d) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(e) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(f) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(g) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(h) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(i) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(j) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(k) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(l) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(m) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(n) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

(o) The estimated rental income includes and is based on the income from the houses as from 1st May 1976. The estimated rental income includes and is based on the income from the houses as from 1st May 1976.

ENERGY

level

METALWORKING

Automatic

weigh

and

locker

ANY

DOCUMENTS AVAILABLE

115-119 Newgate Street, London E.C.1A

The Management Page

EDITED BY JOHN ELLIOTT

On the day the Bullock Report advocates the worker director path for industrial democracy, Robert Oakeshott describes an alternative approach in which ownership is changed rather than management. In Dublin he finds a family company whose owners handed the business to employees but kept day-to-day charge.

A co-operative café

OF COURSE, they have of the Quaker family which always had the most excellent started the business. All but employee relationships" said the middle-aged woman who was my neighbour as we struggled to attract the attention of our waitress in the crowded downstairs dining room of the Bewley's café in Grafton Street, Dublin. I wondered for a moment whether to tell her that this rather old-world Dublin family business was not so much the familiar case of a company pursuing enlightened staff policies as a pioneer of a kind of top-downwards revolution in business structure which could well lead eventually to a full scale bottom-upwards system of workers' (or predominantly waitress') control. But I thought better of it. My neighbour was clearly in a hurry.

There can however be no doubt about either the reality or the direction of the changes which have been taking place at Bewley's since 1971 when the Bewley family handed over ownership of the business to its employees. Equally, since the company has a very stable labour force of approximately 400, an annual turnover in excess of £1.8m, and an unbroken history stretching back to the 1840s, one is clearly not dealing with an inconsequential or temporary phenomenon—like organisational changes in an ephemeral King's Road boutique. It is in fact the second largest and the oldest of a handful of private companies which have chosen to transform themselves into "common-ownership" since the war.

High cost of wages
Bewley's Cafes (or Bewley's Oriental Cafes as it still calls itself, for historical reasons, on its shop fronts) has five cafés—shops in and around Dublin plus a substantial bakery employing between 50 and 100 people, a farm and what is described, with perhaps pardonable exaggeration, as a "chocolate factory" employing nine people. Deliveries from the farm, the bakery, and the chocolate factory account for a substantial proportion of the goods sold in the shops and cafés. So wages, and thus value added, form a larger proportion of turnover than would be normal in the café or shop trade. The last accounts show wages and salaries at over 45 per cent of turnover.

Bewley's has always been very much a family business. Victor Bewley, chairman and managing director who will be retiring at 35 this year and who has unquestionably been the driving force behind the ownership changes, is the third generation

pany's 20 departments together with one elected staff member from each. In principle it meets monthly and is clearly growing in its influence. It can discuss and give advice on anything it wishes; for example it has recently discussed, and backed, a Board proposal to open a third branch operation in the Dublin suburbs.

More important and interesting than the institutional arrangements of this involvement however is the evidence of the effects of the changes. For example, under the Irish Government's old price and wage codes, Bewley's was due to pay a general wage increase at the end of June, 1975. On the other hand, under the rules of the price code, the accountant had to point out that the company could not "afford" the increase although it could have been paid out of reserves. There was no question of Bewley's going into liquidation although the profit and loss account, if the wage rise were paid, would have swung significantly into the red.

It was characteristic of Victor Bewley in that he argued in these circumstances that the increase should be paid. But it was also characteristic of him that he yielded to pressure from younger Board members and other staff to discuss the whole matter with the council. In the council, it turned out, there was a very large majority for postponing the increase and for "doing something to help our company" as one member put it. But there was also a large majority in favour of encouraging any individual who felt he or she really needed the increase, to take it.

There was one other problem which had to be taken into account before a final decision was reached. The Bewley's bakery is fully unionised, and the union, consulted formally before the council meeting, had said that of course its members would have to receive the increase. So what was finally decided was that the bakery should have the increase as a matter of right and that anyone else could choose to take it if they wished. In fact only a tiny minority did so choose. Even more interesting, a large number of the bakers asked that they should be able to lend the increase back to the company for the time being.

It is the maturity shown by these decisions which is, of course, both the proof and the pay-off of the measure of involvement which has been achieved at Bewley's. A year later, with the company again future changes but seems con-



A Bewley's café in Dublin

profitable following price increases, full arrears of the increase were paid by Bewley's to all those who had foregone it. But, as Victor Bewley points out, no one knew that this would happen when they made their original choice. He claims that this kind of genuine involvement can be an immense source of strength to a company perhaps especially when market or other conditions make the going difficult.

Contributions to management

There are numerous examples too of positive individual involvement and of contributions to management going well beyond the normal suggestion box level—a porter successfully organised a most productive meeting of the Grafton Street non-management staff and invited the chairman to attend; a waitress member of council suggested a most profitable switch from closing half-day on Christmas Eve to closing half-day on the previous Saturday.

Essentially Victor Bewley is the progressive Quaker businessman and fits into the Cadbury-Rowntree tradition of progressive Quaker paternalism. But by taking a big step in the eventual direction of bottom-upwards workers' control he has extended that tradition into new territory. He does not venture to predict the pace of future changes but seems con-

ident about their direction. He prefers quite explicitly the goal of bottom-upwards enterprise democracy to the Bullock alternative of a union-management downwards condominium from the top. But he insists that the future of Bewley's belongs really to the next generation, after his own retirement this year.

In the end Victor Bewley is more interested in people than he is in profits. He has transformed a traditional family business into a progressive and fascinating human experiment. It so happens—and there is only a limited connection between the two—that while this has been happening the company's profits have been quite modest. In the latest accounts they are just over £50,000 on a turnover of £1.8m. He leaves it to the next generation of his family—and indeed to the Community he has created—to decide whether profits should be more than modest and whether above a certain level they matter very much.

Robert Oakeshott, a former Financial Times journalist, is now active in the common-ownership movement and is associated with a builders' co-operative in the north-east.



Company status to be defined

BY MICHAEL LAFFERTY

THE FIRST EEC company law directive to be passed since the U.K. joined the Common Market was approved by the Council of Ministers in Brussels last month. Known as the second company law directive, it has a number of important implications for British companies.

The most striking of these is that either public or private companies (it has not yet been decided which) will have to change their names to include some indication of their status.

The move is aimed primarily at distinguishing public companies. All other EEC countries, apart from Ireland, have two separate forms of company—private and public—with separate governing laws for each. Public companies are identified in France and Germany, for example, by the letters SA and AG after their names. A similar distinction by U.K. companies was the very minimum considered necessary by the European Community and Britain's Common Market partners.

For administrative reasons alone it would seem likely that the U.K. Government will favour changing the names of the country's 16,000 public companies rather than the 500,000 private ones. This has already been called for by the Institute of Chartered Secretaries and Administrators and could well be on similar lines to those proposed in the Conservative's 1973 Companies Bill, whereby, in the case of public companies, the words "public limited company" or the letters "plc" would have been the appropriate designation of status.

The second point to note is that the directive requires all public companies to have a minimum capital of 25,000 units of account—at present that would be about £16,500. This would not seem a high figure for many public companies but there are certainly quite a few companies in the U.K. with public status (basically a company which has more than 50 shareholders) with a far lower paid-up capital. It remains to be seen whether companies such as housing associations will have to bring their capital into line or whether the Government will propose to change the definition of public companies.

Fortunately there are generous time limits for transition and compliance. First of all member States have two years to bring into force the laws and regulations necessary to comply with the directive. Then it

would appear that, at the discretion of member States, the measures themselves need not be applied for a further 18 months by companies in existence at the time the directive came into force. And even then the time limit may be increased to 2 years for 5 years for unregistered companies in the U.K. and Ireland in respect of the minimum capital requirements.

Subscribed capital may be formed only of assets capable of economic measurement. Thus an undertaking to perform work or supply services may not form part of these assets and it would seem to rule out the possibility

own shares except where this is already permitted by member states. Where this is the case acquisition is subject to stringent conditions and voting rights are suspended. For the most part, however, the second directive is a somewhat uninspiring document which confirms many of the worst fears that European company law harmonisation would in practice probably amount to adoption of the lowest common denominator. But it should be seen only as the beginning of what promises to become a much more formidable area of company law over the next few years. The most notable of the forthcoming measures is the proposed fourth directive on annual accounts, expected to receive Council of Ministers approval by the middle of this year.

This is a much more controversial document than the second directive because it will have a significant influence on the disclosure requirements of U.K. companies. The draft U.K. directive, like all other EEC company law proposals, is far published apart from the seventh directive on consolidated accounts, which was published before the U.K. became a member of the Community. For this reason it has far more in common with Continental EEC company laws than those of the U.K. and Ireland.

As in German law it proposes standardised layouts for the balance sheet and the profit and loss account and would require companies to observe certain accounting valuation rules in the preparation of accounts. The original draft of the directive appears to have been amended so as to stipulate that accounts must, above all other legal requirements, give a true and fair view. So any fears that British companies may soon have to publish lengthy balance sheets may be ill-founded: it will depend on the final wording of the approved directive and how the Department of Trade interprets what will then have to be brought into force in Britain.

The complete text of the second EEC company law directive was published in the January 7, 1977, issue of "Trade and Industry." A commentary on the directive is contained in the January 1977 issue of the Price Waterhouse EEC Bulletin, copies of which may be obtained from Mr. M. R. Clayton, Southwark Towers, 32, London Bridge Street, London, SE1 9SU.

Where the payment of interim dividends is allowed, interim accounts showing that sufficient funds are available must be drawn up; however, there is no requirement to have the accounts audited. Any amount distributed as an interim dividend cannot exceed the profit of the interim period plus profit brought forward together with the distributable reserves.

The directive prohibits a company subscribing for its

BUSINESS PROBLEM BY OUR LEGAL STAFF

Subscriptions donations tax

Would you please enlighten me regarding the attitude of the Revenue concerning payments made by a company as follows: (a) trade subscriptions; (b) a donation to a charitable organisation devoted solely to work on behalf of the employees within the industry in which the company is operating; (c) a political donation; (d) a purely charitable donation. What effect does the signing of a seven years' covenant have in the above instances?

Finally, could you please briefly explain the mechanics of a covenant, showing to whom and how the tax reliefs operate? (a) Trade association subscriptions: (i) if the association has entered into the standard extra-statutory arrangement with the Inland Revenue to pay tax on surplus income, the subscription is deductible for corporation tax. (ii) Otherwise, one must look at the objects of the association and how it has in fact spent the money subscribed; broadly speaking, the subscription will be deductible if the association's expenditure would have been deductible if it had been incurred direct by the subscriber. (b) Donations to trade-connected charities: Generally allowed, if reasonable and regular. (c) Political donations: Not deductible (except in rare borderline cases). (d) Purely charitable donations: Not deductible. The test in every case (except (a) (i)) is whether the expenditure was incurred for the purpose of the company's trade (under section 130 of the Income and Corporation Taxes Act 1970). Covenanted donations to charity: An annual payment made (under deduction of basic rate income-tax) under a deed of covenant is deductible as a charge on the company's income (under section 248 (8 and 9) of the Taxes Act). If you are thinking along these lines, helpful free leaflets and general assistance are readily available from the Charities Aid Foundation, 48, Pembury Road, Tonbridge, Kent, TN9 2JD; no doubt you have seen their advertisements in the Financial Times.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

European Law Letter

This month's issue contains special articles on: "The EEC Commission's draft of Patent Licensing rules" "The new Patent Bill" "The new quota cartel for the EEC steel industry and the recently approved German subcartels and mergers" "The UK's consumer protection and competition policy, as seen by Prof. Gordon Borrie the new Director General of Fair Trading."

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De-industrialisation revisited

OF Mr. Anthony Wedg-Benn's most successful appeal right across the industrial spectrum: is that industrialisation. The term is used in an article in *the Independent* on April 4, and was quoted in Mr. Benn's Budget Speech of that date as the basic fact from which he projected this fall in manufacturing employment leading to a "major restructuring of British industry".

Low wages, rising unemployment and the emigration of skilled workers as a chronic balance of payments problem and social ills as usual do not speak for themselves and it is quite in order to set down even past industrial employment in cyclical, and worth-comparison, must be in similar points in the cycle.

Since 1959, a recession low for this purpose, U.K. manufacturing employment fell to 8.1m. or 40 per cent of total employment. By 1968, two recessions manufacturing employment was up slightly to 8.2m. and the total employment had risen to 22.7m. and the manufacturing percentage was up to 36 per cent. A shift in manufacturing to services accompanied the shift in manufacturing to services in that taking place in European countries.

Between 1968 and 1976 (two years further ahead) the manufacturing employment fell to 7.5m. and the total employment also fell by much less. As a result, the manufacturing percentage fell to 33, much of the drop being in the latest trade cycle from 1972 to 1976.

Thus we seem to be well on the way to exceeding the original Benn warning of a net loss of 1.2m. jobs in manufacturing in a decade. This is, moreover, a decade in which the working population will be rising substantially for demographic reasons.

How much does this matter? There is obviously a problem about why the employment peak for all workers has got so much worse in each recession since 1968 (the deterioration before that can be explained by the changed relation with vacancies). But is there a special problem in relation to manufacturing, and is it necessary to do something specific about manufacturing to ensure a sufficient expansion of total employment?

Export volume

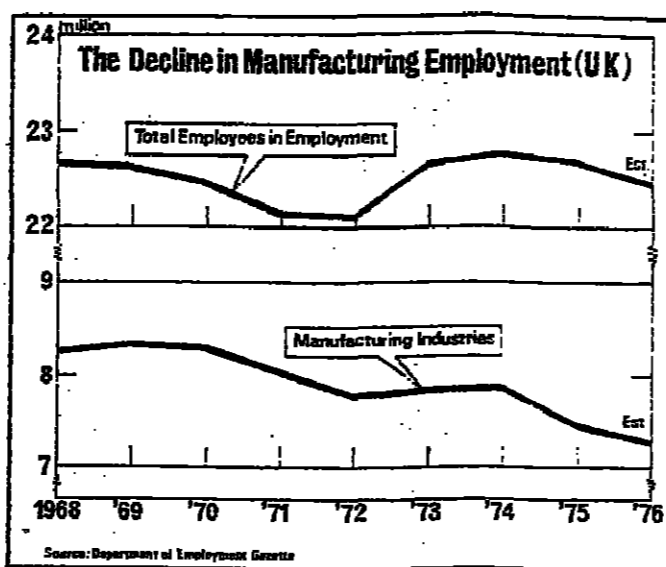
The answers to these questions are far from obvious. One source of confusion is the belief that manufacturing exports are the only means of paying our way overseas. For what it is worth, the figures for the latest, cyclically comparable years, 1972 and 1976, show a rise in export volume (nearly all of which is of manufactures) of 27 per cent, compared with a rise in the volume of all imports of 15 per cent. During this period, manufacturing output increased by only 1 per cent, so that a pronounced secular stagnation of total output in the manufacturing sector did not prevent a large rise in the proportion exported.

The calculation, so far, ignores the contribution of services and overseas investment

income to overseas earnings. Unfortunately, invisibles are presented net, while physical exports are presented gross in the summary balance of payments statistics. Private exports of services together with interest, profits and dividends amount to nearly 60 per cent of all visible exports. In contrast to the visible trade account which swung into deficit in the years after 1972, the invisible account remained in heavy surplus and on the whole on a rising trend.

But leaving aside the mercantilist obsession with the visible trade balance and physiocratic distaste for the service sector, may there not still be a problem about manufacturing? The pace of run-down in the past two cycles up to 1976 may have been faster than dictated by changes in the comparative advantage of different sectors; and there may be distortions at work preventing manufacturing from making its appropriate contribution to total employment.

To answer the question doctrinally, we must at least have an idea of which sectors (if any) have expanded to absorb the net displacement of workers from manufacturing. Between 1972 and 1976 the fall in manufacturing employment together with the fall in other industrial employments such as mining, construction, and public sector, and the increase in total employment made available about 900,000 employees for other trades. Of these about 60,000 went into transport and communication, and 70,000 into distribution. Over 100,000 went into insurance and banking, and a little under 180,000 went into miscellaneous services. A share went into public administration, which took 140,000, and



Source: Department of Employment Gazette

the suspiciously named category "professional and scientific," which took 500,000.

To get a more revealing breakdown, we have to go to *Economic Trends* and take an earlier four-year period, 1970 to 1974. During this period too, the increase in total employment and the rundown in industrial employment produced nearly a million employees available for other pursuits. Of these 400,000 went into private service employment and 600,000 into government services—200,000 central and 400,000 local. But before any rash conclusions are drawn, remember that nearly all the net increase in service employment has been of part-time females, including teachers.

There will have to be some change in trends to prevent more unemployment and under-employment from developing. Public service employment will be held back by spending cuts;

and there will have to be an expansion either of industrial employment or of private service employment suitable for full-time males.

What should be done? Mr. Benn suggested in his original article that manufacturing investment should be doubled. This would have cost £3.4bn. in 1975, almost identical to the sum which would have been required to restore gross trading profits (after stock appreciation) to their 1971 proportion of the GDP. (They fell over the four years from 8.4 per cent of GDP to 4.8 per cent.)

To move even part of the way in this direction, at a time when resources have also to be moved into exports and import saving, would require a continued, severe curb on real personal consumption. Playing about with life assurances and pension funds, as Mr. Benn's associates have often recommended, in no

way avoids this need. The Labour Left have fallen for the supposedly capitalist illusion that something can be created out of nothing by playing about with bits of paper in the City. But it is unhelpful to assess politicians by their own slogans. The alternative "socialist strategy" (it is not really socialist but autarchic) is to whip up demand to what is called "full employment levels" under the cover of import controls and selective labour subsidies. This is based on the view that the only argument against employment-boosting policies is the threat to sterling. So long as this belief is shared by conventional middle-of-the-roads, their opposition to import controls and to widely inflationary demand-boosting policies will be unconvincing; and we will get frenzied pleas for the creation of conflict money by the strong currency countries with threats to pull the Nato house down if they refuse to comply sufficiently.

The immediate impact, even if offset by lower interest rates (which would happen automatically under a monetary guideline policy) would be depressing to business. But more fundamentally, there is no way such as over-manning, archaic of calculating fixed investment needs, and investment simply squeezed out of a tube, whether by fiscal and monetary manipulation, or by forced draft methods, would be almost certainly of very poor quality. Worst of all would be an attempt to channel investment into projects or companies selected by government or tripartite committees. Nothing that has emanated from any Ministers or advisers gives us the slightest reason to suppose that they will be successful in finding worthwhile investments which private concerns would not make. What over-arguments there may or may not be for the ferrous found-

ry and suchlike schemes as cyclical anti-recession devices, they form no basis for industrial strategy. Some advisers now in the ascendant quite sincerely believe that profitability is an inadequate guide; and that the important thing is to get up by hook or by crook the manufacturing investment ratio. This approach falls into the trap of treating industrial investment as good in itself, rather than a cost, and has led to disaster in the developing countries which have tried to apply it. An alternative but more fruitful simplification would be to forget about investment and think instead of profitability. Then the investment would come eventually in its own good time.

A genuine industrial strategy does not mean either laissez-faire or state intervention in entrepreneurial decisions. There are forces which the NEDC (National Economic Development Council) has christened in its 1963 Orange Book "obstacles to growth," fundamentally, there is no way such as over-manning, archaic of calculating fixed investment needs, and investment simply squeezed out of a tube, whether by fiscal and monetary manipulation, or by forced draft methods, would be almost certainly of very poor quality. Worst of all would be an attempt to channel investment into projects or companies selected by government or tripartite committees. Nothing that has emanated from any Ministers or advisers gives us the slightest reason to suppose that they will be successful in finding worthwhile investments which private concerns would not make. What over-arguments there may or may not be for the ferrous found-

Take command

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debate on block

The publication, at long last, of the already familiar Report will give the only to debate the whole of industry democracy. It is regrettable that it is not a report, I am convinced that we should now set political motivations and its debate on real and intellectual understanding of industrial appeal, therefore, to feel moved to contribute member that—

committee, through its of reference, was not to consider whether directors are desirable; gnatories to the majority have never served on of directors. They report the views of some, mics and part of the they do not represent employers; and several nent trade unionists have y stated their disagree-

risons between Britain Germany are not valid; the fundamental differences between them are understood; for inco-determination in any has been evolving for ars and there are 16 ry-based unions in Ger-compared with 488 craft s in U.K.

om improving the penance of industry, or the those who work in it, use volume of employ- and industrial legislation l in recent years, has y diverted resources productive work. More tion, introduced without greement of both sides, orsen matters; companies, and most suc- ones, already operate ipation schemes as a t element of good man-

is little evidence that tion wants to see a fur- rest extension of union Bullock Report stimu- calm and constructive it will do no harm. If ate leads to more partic- and better understanding ompanies, it will do con- good. But if the report rlated into law, its no doubt follow that of wise legislation such as ustrial Relations Act, t the kind of governing o perpetuate?

Whittall, ay House, Fotherill Street, after, S.W.1.

aster for young

r. A. Dunn

Your columns rightly tion to the grave prof- of the scarlet middle r in regard to the policy and inflation ure in this respect. Is- does it hope to recruit, if neces- ough and most must now be limit of possible sav- discretionary expend-

does not seem to be only recognised is that in- come and wealth at the lower levels, that is, 25 per cent, of income recipients. This will include a lot of people employed in the textile industry. What are about to suffer or triple blow. Income advances for children are placed by child benefit, and incentives be applied within the 3 per cent plus 3 per cent,

Letters to the Editor

existing taxation on company cars is to be increased. These factors do seem to have been brought together for comment.

Their combination is, little short of disaster for those young enough still to have mortgages and dependent children. To illustrate the point I anticipate in my own case, and on my understanding of the tax changes mentioned, at least 8 per cent in net income. Thus, picking the general case of inflation continuing at 15 per cent, and the Stage Two salary increase of 24 a week or under 1 per cent net of tax the result is a 22 per cent turn-round over the coming year. And that of top of the past 18 months restraint.

With this immense worry hanging over us, how can I and my peers devote our single-minded attention to the industrial enterprise for which we work? It is to be hoped that somebody will recognise the situation before this vindictive bloody-mindedness is reciprocated and rampant indifference negates our instinctive desire to do our jobs to the full in both time and energy.

A. Dunn, "Patch Dene," Kemp Road, Southland, North Hamberside.

Textile workers viewpoint

From The General Secretary, National Union of Dyers, Bleachers and Textile Workers.

Sir,—As a trade union general secretary and secretary of the National Association of Unions in the Textile Trade and a member of the TUC General Council, I get very disturbed when reading Press reports regarding the CBI's approach to the follow-up of the existing social contract ending in July of this year.

As you are well aware, the TUC General Council is committed by Congress to consultation with the unions regarding the form of a complete return to free collective bargaining when the existing policy is concluded. It will be all the more difficult to control a planned return if the CBI continues with its projections. Every one associated with industry and my own industry in particular, is aware that the ultimate aim is for an industry to get the economic utilisation of all its resources to successfully compete in world markets and, indeed, to maintain and increase the standard of living of the country as a whole.

Our industry as a whole gives a very poor return to the workforce. The minimum of £38.55 is well below the general manufacturing minimum and average earnings at least 15 per cent below other manufacturing industries. The minimums are also below supplementary benefit levels and the industry is a substantial and influential member of CBI. Yet its solution is 3 per cent during the next phase with another 3 per cent for flexibility. This is ludicrous. How does it expect our members to survive the rapid escalation in costs? How does it hope to recruit, if necessary? How does it hope to get increased utilisation, etc.?

Also to be borne in mind is the report of the Royal Commission on the Distribution of Income and Wealth at the lower levels, that is, 25 per cent, of income recipients. This will include a lot of people employed in the textile industry. What are about to suffer or triple blow. Income advances for children are placed by child benefit, and incentives be applied within the 3 per cent plus 3 per cent,

More rises please

From Mr. G. R. Woolven.

Sir,—Mr. R. Smith in "Please, no rises" (January 20) misleads your readers in a number of ways. The Court Order to provide for his ex-wife and children are totally allowable for tax purposes. The list should thus read:

Superannuation	10.70
Income tax	9.60
Provision to ex-wife of one-third	33.30
Court allocation to three children	28.70
Wage earner's balance	17.70
Total	£100.00

It must be further borne in mind that children grow up and eventually their portions will revert to their father. It is understandable that those in the position of paying to a former wife heavy maintenance, particularly when her conduct caused the marital failure, may well-complain. The law, however, is as it is and sympathy will not accrue from misleading statements. More rises please.

G. R. Woolven, 18, Englefield, Heatherside, Camberley, Surrey.

Training lawyers

From Mr. M. Loup.

Sir,—Kevin Done's interesting column under the heading, Men of the Week (January 22) contains one quite extraordinary statement to the effect that Sir Roger Ormrod has led lawyers to place the training of lawyers in the hands of the Universities, rather than in the preserve of the legal professional bodies. There is a move toward a legal profession which will have a common standard on entry into what one might describe loosely as apprenticeship. This common standard will be a low degree. The training of these apprentices, and their examination at the end of their apprenticeship to ensure that they have achieved a proper standard rests with the legal professional bodies, as it should. If it is a matter for argument and probably always will be, whether or not it is right that

members of the legal profession should eventually be drawn from a section of the community which has obtained law degrees. Those who doubt the wisdom of this trend will no doubt be encouraged by reading the biographical notes in the column, relating to the three distinguished Members of the Court of Appeal.

M. D. T. Loup, 33, Davies Street, Berkeley Square, W.1.

The energy outlook

From Mr. J. Brown.

Sir — In claiming that future transport policy should take account of an energy crisis as early as 1980, Mr. Ray Buckton (January 19) of the Associated Society of Locomotive Engineers and Firemen most probably has an eye on the White Paper on Transport Policy which the Government will publish this year, and which may well sound the death knell for the railways as we know them. His argument is no more than a modern reflection of the fears expressed by the ancient cave-dwellers who used to ask: "What will happen when we run out of bears?"

Whether the threat of an oil shortage is real or imaginary a sober assessment of all the issues at stake requires an appreciation of the nature of industrial history. Such a study does not reveal a process of evolution, but rather an evolutionary process frequently punctuated by radical changes of a technical and social nature. In retrospect, the supposed energy crisis may seem mild when compared with the changes in industrial patterns over the past centuries.

For example, in 1864 the fuel which fired the Industrial Revolution that is, coal, was being produced in Britain at the annual rate of 92.7m. tons—an increase of 28.1m. tons per annum over the previous decade. Then the view was widely held that such a rate of growth could not continue and this argument was pursued by W. S. Jevons in his book "The Coal Question" in which he maintained that an annual growth rate of 3.5 per cent was a serious threat to the country's commercial future.

Surely Mr. Buckton is applying the same argument to oil more than a century later. Like coal it is relatively simple to calculate that oil supplies may dry up in a certain year, using a formula which multiplies annual consumption, added to annual increased use, divided by known reserves. The latter is, of course an unknown quantity.

All this, however, fails to take account of new technology, without which Jevons' worst fears may have been realised. It is probably in Mr. Buckton's best interest to adopt scaremongering techniques aimed at luring road users back to railways, and to ignore the exciting potential of solar, tidal and geothermal energy which may be important by the end of the century.

What he fails to recognise or admit is that society is predominantly motor-vehicle orientated and all the evidence suggests that once man has savoured the benefits of personal mobility, convenience and the flexibility afforded by the motor-vehicle, he is reluctant to surrender them.

As the energy debate continues, I would ask Mr. Buckton to remember that it is not beyond the wit of man to adapt to new methods of propulsion to enable him to continue his romance with the motor-vehicle. Investment in new technology and new roads is likely to benefit society to a far greater extent than continued indiscriminate subsidies to a moribund rail system.

Jan Brown, "Penview," Nursery Park, Innerleithen, Peeblesshire.

Labour Party national executive committee meets.

TUC General Council meets.

Miners' pithead ballot on early retirement begins.

M. Francois Ceyrac, president, Conseil National du Patronat Francaise, heads delegation in London for talks with team led by Lord Watkinson, president of CBI, its British counterpart.

Mr. John Effen, Opposition spokesman on industry, addresses London Chamber of Commerce and Industry lunch, Royal Festival Hall, S.E.1.

Chief Metropolitan Magistrate gives ruling on extradition proceedings involving Mr. Jim Slater and Mr. Richard Tarling.

National Farmers' Union two-day annual meeting ends, Central Hall, Westminster.

To-day's Events

Sir Robin Gillett, Lord Mayor of London, attends Fructerers' Company dinner, Clothworkers' Hall, E.C.3.

PARLIAMENTARY BUSINESS

House of Commons: Scotland and Wales Bill, committee.

House of Lords: Debate on the economy and measures announced by Chancellor of the Exchequer in December.

Select Committees: Expenditure (Trade and Industry sub-committee). Subject: The Fishing Industry. Witnesses: Dr. David Owen, Minister of State, Foreign Office; Mr. P. Duffy, Navy Under-Secretary; and Mr. J. Wellbeloved.

Air Force Under-Secretary, Nationalised Industries (sub-committee B). Subject: British Steel Corporation. Witnesses: British Scrap Lloyds and Scottish, Piccadilly Hotel, W. 12. MIPC, Dorchester Hotel, W. 12. Redman Heenan International, Connaught Rooms, W.C. 12. Staveley Industries, Connaught Rooms, W.C. 12. Wolvenhampton and Dudley Breweries, Dudley, 12.

OFFICIAL STATISTICS

Construction new orders (Nov.). COMPANY RESULT

Henlys (full year).

COMpany MEETINGS

Devenish (J. A.), Weymouth, 12.15. General Stockholders' Investment Trust, Winchester House, E.C. 10.45. International Computers, Winchester House, E.C. 12. Lloyds and Scottish, Piccadilly Hotel, W. 12. MIPC, Dorchester Hotel, W. 12. Redman Heenan International, Connaught Rooms, W.C. 12. Staveley Industries, Connaught Rooms, W.C. 12. Wolvenhampton and Dudley Breweries, Dudley, 12.

English National Opera production of *Il Trovatore*, Coliseum Theatre, W.C.2, 7.30 p.m.

D'Oyly Carte Company in *Ruddiger*, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

Cast launches direct container service from Liverpool to Canada/U.S.A.

Now you have the viable alternative:

At the end of January, we're going to smash a bottle of champagne over a Cast Blue Box, thereby launching our direct container service between the U.K. and Canada/U.S.A.

Since 1969, we have operated a highly efficient Transatlantic door-to-door container service out of Antwerp. With the introduction of direct sailings between Liverpool and Montreal (linked into our North American inland transport system), we'll be able to provide our U.K. customers with an even faster, more economical service to from Canada and the U.S.A. We hope you will give us the opportunity to show you all the ways you can save money with the Cast Blue Box System.

Please call us, Cast Transportation UK Ltd., Bank House, Cherry Street, Birmingham B2 5AL, Telephone 021-643-6771, in London, Telephone 01-480-7506.

CAST
The Blue Box System.

COMPANY NEWS + COMMENT

Cowan de Groot higher midway at £0.72m.

ON SALES ahead by £2.36m. to £11.77m, pre-tax profit expanded by £183,417 to £719,248 for toys, hardware and machinery imports and wholesalers Cowan de Groot in the half-year ended October 31, 1976.

HIGHLIGHTS

Lex comments on the proposed offer by the British Rail Pension Fund for Standard Trust at a 5 per cent discount on net asset value. Elsewhere, Amalgamated Stores is being re-quoted after a year's absence from the stock market, and Weeks Associates is having a rights issue to reduce its borrowings. We comment on the interim results of Cowan de Groot whose profits are up by 29 per cent, with continued growth on the toy side and recovery on the electrical side.

● comment

A recovery by the electrical and hardware division, and continued progress by the toy interests, has put Cowan de Groot on course for another year of record profits. In the former division, the directors say they have every confidence in anticipating an excellent year.

SEET 86% ahead in first half

Turnover of Scottish English and European Textiles increased by 35.1 per cent to £4.95m, pre-tax profit by 86 per cent to £0.23m, for the half year to October 31, 1976—the figure for the previous 12 months was a record £0.42m.

Henderson-Kenton nears £½m. Setback for ML Holdings

TAXABLE PROFIT rose £54,000 to £489,000 at retail furnisher Henderson-Kenton for the six months to September 30, 1976. Sales advanced from £7.34m to £8.96m.

● comment

The softness in the retail furniture market—with manufacturers' deliveries down an estimated 6 per cent in volume terms—has caught up with Henderson-Kenton, whose 12.4 per cent profit advance at the half way stage contrasts with the recent annual compound rate of 38 per cent.

Setback for ML Holdings

AN INDUSTRIAL dispute lasting 30 weeks adversely affected the performance by engineers ML Holdings for the half year ended September 30, 1976. Taxable profit slumped by some £97,000 to £185,967 on turnover 21 per cent lower at £4.68m.

● comment

The directors say that, apart from this, they anticipate normal trading results for the year. The company is now in negotiation for substantial contracts, mainly in the export field.

Amalgamated Stores re-quotation

Amalgamated Stores, whose share quotation has been suspended for a year, is coming back with a re-valuation following its reorganisation which takes in the acquisition of five properties and the passing of control to Mr. F. Phillips and Mr. L. Phillips with a combined equity interest of 51.3 per cent, and Mr. S. Wise with 12.8 per cent.

Lincroft Kilgour steady

SECOND half pre-tax profit of Lincroft Kilgour, the menswear manufacturer and textiles group, increased from an adjusted £0.59m, to £0.51m, giving year-end (to September 30, 1976) figure of £0.76m, similar to the previous year's £0.77m.

Weeks raises £350,000

The trailer and engineering group Weeks Associates, is proposing to raise £350,000 by way of rights issue, to finance the acquisition of the year to January 23, 1977 of not less than £460,000 compared with £240,343 for the previous year.

● comment

A 92 per cent profit increase from Weeks to last August £680,000 is hardly surprising after the 47 per cent interim profit increase to £292,000, but it does confirm that the group has at last broken losses from the profits plateau of recent years.

ISSUE NEWS AND COMMENT

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DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corresponding dividend, Total for year, Total last year.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Corrected. § For 15 months.

Growth seen by Caplan Profile

GIVEN THE right economic climate, 1977 should be a year of growth in both turnover and profitability for the Caplan Profile Group, forecasts the chairman Mr. Ian Caplan.

Advance by Houchin in first half

ON A first half (to October 31, 1976) turnover up 27 per cent, £2.22m, Houchin has increased its profit by £111,943 to £423,700.

Slight drop for Hales Properties

A small decline in pre-tax profit from £57,421 to £54,089 is shown by Hales Properties for the months ended September 30, 1976.

SURVEY OF POOLED PENSION FUNDS AS AT 31st DECEMBER 1976

- THE SURVEY OF POOLED PENSION FUNDS AS AT 31st DECEMBER 1976 is now available. ● The Survey provides the most comprehensive analysis of investment performance of over 130 pooled pension funds...

PETER JONES (CHINA) LTD. INVEST IN COLLECTORS PLATES. This charming plate features an embossed pattern...

THE WOLVERHAMPTON & DUDLEY BREWERIES, LTD. Year to 30th September (£'000) 1976 1975 1974. Turnover 34,857 28,496 19,615...

Hickson & Welch (HOLDINGS) LIMITED

Group's most successful year. 70% increase in profit

I am pleased to report that our group has had the most successful year since we became a public company in 1951. We reached a pre-tax profit of £7.87m, an achievement in which all concerned can be justifiably proud.

part being in the U.K. In the current year we are planning to spend some £6.0m, of which £5.5m will be in the U.K. and of this £5.0m will be in the chemical companies. I need hardly say that this is the largest capital programme we have embarked upon.

24% increase at Irish Intercontinental

Taxable profit of Irish Intercontinental Bank, the Dublin-based merchant bank in which Marine Midland Bank and Life Insurance are principal shareholders, increased by 24 per cent to £164,000 for the year to October 31, 1976.

Four Chubb subsidiaries merging

A NEW subsidiary, Chubb Electronics, has been formed by the merger of four Chubb subsidiaries in the U.K., into which it is proposed eventually to merge the present activities of Chubb Alarms, Chubb Integrated Systems, ICG Machines, Ltd. and Gross Cash Systems.

Capital Laundries downturn

Turnover of Capital and County Laundries increased from £1.58m to £1.67m during the year to September 25, 1976, and profit dropped sharply from £250,539 to £104,768m, before tax of £23,500, compared with £134,550.

Harveys of Bristol takes £2.9m. leap

A sharp rise in pre-tax profit for the year ended September 25, 1976. Sales were up £1.65m to £57.65m. The tax charge was £4.92m (£2.98m) and Ordinary dividends absorbed £2.22m (£2.25m).

BIDS AND DEALS

Whitecroft forecasts £4.85m. before tax

The share price of Whitecroft soared 5p to 195p yesterday following the announcement that pre-tax profits for 1976-77 would amount to £4.85m. compared with £3.09m. the previous year...

TAKEOVER TALKS AT CARRS

A £250,000 bid could be on the way for Carr's Mining Industries, the four mining to animal feed stocks group.

LONDON CITY AND WESTCLIFF

In accordance with the provisions of the trust deed constituting the £1 per cent. Unsecur'd Loan Stock 1982-88, now that Lenthos has acquired a majority of the Ordinary Shares London City and Westcliff Properties will be notified holders of their right to require redemption of their holdings of this issue at par.

DUNFORD ABOVE EXPECTATIONS

Coinciding with a sharp 9p jump in Dunford Elliott's share price on 23p yesterday, attributed to rumours that an alternative bidder to Johnson Firth Brown is in the wings, Mr. Frank Welsh, chairman of Dunford, has again written to shareholders urging rejection of the JFB offer.

GENTING MAY BID FOR GOLDEN HOPE

Geniting Highlands, the Malaysian casino and hotel company, which blocked the plan of Harrison and Crossfield for the merger of its three plantation companies last month, is ready again to foil the new Harrison's merger plan through an outright cash bid for Golden Hope.

NEWS ANALYSIS - PENSION FUNDS

Milestone on the track

BY CHRISTOPHER HILL

THE BID by the British Rail Pension Funds for Standard Trust, in the Touche Remnant group, is a milestone in the history of the investment trust business. The bid worth £30m. comes six months after a wave of criticism of investment trusts which centred on the disparity between the market values of the trusts and the asset values of their underlying portfolios.

Resentment

There was resentment by investment trust managers to this criticism since, in effect, it was aimed at the very essence of their existence. They felt that in most cases utilisation and liquidation was not an effective answer, because after repaying the prior charges on the trusts, and even in some instances, capital gains tax liabilities and the surrender on the dollar premium for overseas holdings, a return to shareholders might not be so attractive.

MINING NEWS

Pilbara's poor labour record worries BHP

BY PAUL CHESSEBRIGHT

IN AN indictment of the industrial situation in the iron ore mining areas of Western Australia's Pilbara, the major Australian mining and industrial group, Broken Hill Proprietary, has confirmed the loss of 4m. tonnes of production over the last two months.

The period included a five-week strike at Mount Newman, where BHP holds a 30 per cent. stake and is in partnership with CSR, Asmax, C. Itoh, Mitsui and Selection Trust. BHP stated that the situation had reached the point where it could not guarantee supplies to Japan, its major customer.

BHP's expression of concern comes at a time when the Pilbara's labour relations are becoming the subject of intense debate at international, national and state level.

A trade union delegation which includes the leader of the Australian Council of Trades Unions, Mr. Bob Hawke, and the Western Australian labour leader, Peter Cook, has left for Tokyo to allay the fears of Japanese businessmen about the security of their Australian iron ore supplies.

At the state level, the Western Australian Premier, Sir Charles Court, facing an election next month and anxious to attract investment to the state, has condemned the trade union delegation. He argued that it would only confuse trading relations and called it "an exercise in political mischief".

The unions are not prepared to offer any guarantees to the Japanese. Indeed Mr. Cook has already predicted that labour relations "are going to get much tougher long-term".

The December quarter's production figures bring the 1976 total of ore milled to 31,23m. tonnes and the contained copper output to 176,518 tonnes. The respective total for 1975 were 31,2m. tonnes and 172,477 tonnes.

Bougainville's profits for the last year, they have not amounted to much and investment trust boards have found it reasonably easy to resist unwelcome moves.

The British Rail Pension Funds bid is different, for it is by one of the big battalions and cannot be brushed aside as frivolous. It is also a leading investment trust rather than one of the smaller trusts which leaders of the industry most wish to see reduced.

The December quarter's production figures bring the 1976 total of ore milled to 31,23m. tonnes and the contained copper output to 176,518 tonnes. The respective total for 1975 were 31,2m. tonnes and 172,477 tonnes.

AMOK DELAYED AT CLUFF LAKE

The French consortium, Amok, has suspended development work at its Cluff Lake uranium mine and mill project in northern Saskatchewan. It has not received the necessary clearances from the provincial Government, reports our Toronto correspondent.

DEINSON EARNS LESS BUT...

DESPITE A fall of 49 per cent. on 1975, net income last year at Canada's uranium-producing Deinson Mines was still the third highest in the group's history at \$15m. (\$26m.), equivalent to \$3.28 (21.59) a share. The 1975 figure was a record \$26.5m. or \$5.59 a share.

BH SOUTH SEES DIVIDENDS

Australia's BH South says that it expects to resume paying dividends in September, thus confirming the chairman's forecast in November last year. He added that there should be a move from losses to profits in the current year to next June which could bring the group close to a break-even position for the year. The last dividend was of 13 cents in 1974.

DIAMOND SHAMROCK ACQUISITION

Diamond Shamrock (Polymers), a subsidiary of the Diamond Shamrock Corporation of Cleveland, Ohio, U.S., has taken over the Zerolit ion exchange resin business formerly carried on by Portland Water Treatment. This business, effective from January 7, 1977, follows the announcement on December 13, 1976 that agreement in principle had been reached. The acquisition will not be referred to the Monopolies and Mergers Commission.

ROUND-UP

Despite last year's international steel recession, Australia's 1976 coal exports rose 4.2m. tons to a record 34.1m. tons. Coal production in New South Wales was 11 per cent up at a record 44.7m. tons while the state's exports gained 3 per cent to 14.8m. tons. Exports from the Queensland mines increased from 15.4m. tons to a peak of 19.2m. tons.

DAVENPORTS BREWERY

Mr. J. G. Swanson the chairman of Davenport's Brewery (Holdings) told members at the AGM during the holiday period December 24, 1976 in January 1977. Necessary maintenance work was undertaken during the time.

RECENT ISSUES

Table with columns for Stock, High, Low, and various stock symbols like F.P., 675, 600, 284, etc.

Table with columns for Stock, High, Low, and various stock symbols like F.P., 18.8, 100, 100, etc.

Table with columns for Stock, High, Low, and various stock symbols like F.P., 10, 10, 10, etc.

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Midland Bank Base Rate advertisement with Midland Bank logo and text: Midland Bank Limited announces that with effect from January 26th 1977, its Base Rate will be 13%...

Standard Chartered Bank Limited advertisement with text: Standard Chartered announces that with effect from Tuesday, January 25th the following annual rates will apply: Base rate 13%, Deposit rate 9 1/2%.

L.B.I. Base Rate advertisement with text: Lloyds Bank International Limited announces that, with effect from 26th January, 1977, its Base Rate, applicable to all its U.K. branches, is reduced from 14% to 13%.

LLOYDS BANK INTERNATIONAL advertisement with text: Lloyds Bank International Limited announces that, with effect from 26th January, 1977, its Base Rate for lending is 13% per annum.

Coutts & Co advertisement with text: Coutts & Co. announce that, for balances in their books on and after the 26th January 1977 and until further notice their Base Rate for lending is 13% per annum.

The Royal Bank of Scotland INTEREST RATES advertisement with text: The Royal Bank of Scotland Limited announces that with effect from 26th January, 1977, its Base Rate for lending is being reduced from 14% per annum to 13% per annum.

Compagnie Financière de la Deutsche Bank AG advertisement with text: Société Anonyme, Luxembourg. A wholly-owned subsidiary of Deutsche Bank AG, Frankfurt (Main).

Eurocurrency loans deposit dealing · bond trading advertisement with text: Commercial Register Luxembourg B 9164. 68, Avenue de la Liberté · P.O. Box: 1813 · Luxembourg. Telephone: 49 78 51 · Telex: 2748 · Cable: deutschbanklux.

Financial Highlights table with columns: Financial Highlights, as per the end of the financial year (September 30), 1975/76, 1974/75, 1973/74. Rows include Balance Sheet Total, Loans, Advances and Deposits with Banks, Loans and Advances with Customers, Credit Volume, Capital and Reserves, Profit for the Financial Year.

Barclays Bank Base Rate advertisement with text: Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 25th January, 1977, their Base Rate was decreased from 14% to 13% per annum. The basic interest rate for deposits was decreased by 1 1/2% from 11% to 9 1/2% per annum.

Handwritten text at the bottom of the page: 50 من الاجل

INTERNATIONAL AND COMPANY NEWS

AMERICAN COMPANIES

Exxon reports final quarter gain

EXXON CORP. has reported net earnings for the fourth quarter of 1976 of \$1.43 a share against \$1.28 in the third quarter. Revenue amounted to \$14.2bn, compared with \$12.8bn in the same period last year. This brings net profits for the year to \$5.90 a share against \$5.60 a share on revenue of \$52.7bn, against \$48.8bn in 1975. The 1976 earnings per share have been restated to reflect the one-for-one stock split of July 1976. Capital and exploration expenses totalled \$5.06bn in 1976, 12 per cent, from 1975. Dr. C. G. Cavitt, Jr., chairman, commented that Exxon's capital and exploration expenses in 1976 were about twice the 1975 estimated net income of \$1.43 a share, compared with 18.3 per cent in 1975. Earnings before interest and financial charges were put up 23 per cent to \$2.57bn, represented a return of 12 per cent on the corporation's capital employed in the

form of debt and equity, compared with 14.4 per cent in 1975. APN

ALCAN ALUMINIUM	
4th Quarter	1976
Revenue	702m
Profits	24.0m
Per share	0.57
Share dil.	0.24
12 Months	
Revenue	2.66bn
Profits	44.0m
Per share	1.14
Share dil.	0.51

Alis-Chalmers
MILWAUKEE, Jan. 25. ALLIS-CHALMERS CORPORATION said it purchased all the 1,102,700 shares of its stock owned by Internazionale Holding Fiat SA, a subsidiary of Fiat SPA. The company said it exchanged a portion of its interest in the Fiat-Alis construction machinery joint venture for the stock. Its interest in the joint venture was reduced to 23 per cent from 35 per cent, as a result of the purchase, it said. The company said that based

on yesterday's price of its shares, the exchange amounted to \$27.2m.

BURLINGTON INDUSTRIES	
1st Quarter	1976
Revenue	500.6m
Profits	20.1m
Per share	0.71
Share dil.	0.88

UNION PACIFIC CORPN.
4th Quarter 1976
Revenue 553.6m
Profits 65.46m
Per share 1.40
Share dil. 0.97

IBM dividend up
NEW YORK, Jan. 25. INTERNATIONAL BUSINESS Machines announced today that it has increased its quarterly dividend to \$2.51 from \$2.25.

E. F. HUTTON	
4th Quarter	1976
Revenue	76.0m
Profits	5.01m
Per share	0.82
Share dil.	0.61

WEYERHAEUSER CO.
4th Quarter 1976
Revenue 757.1m
Profits 85.7m
Per share 0.65
Share dil. 0.28

Au Printemps embarks on profit revival plan

PARIS, Jan. 25. THE GIANT—or, more unkindly, the leviathan—of the French retail industry, the Au Printemps group, has embarked on a new phase in its year struggle to regain stability. The Frs.30bn, a year group, its 360 outlets and 22,000 employees, is majority controlled by the Swiss group, Maus. M. Bernard Maus is vice-president and managing director of the group. The group followed up a 50 per cent consolidation loss in 1976 with a 1977 consolidated profit of around Frs.40-Frs.50m. It is attributed to continuing problems in the hypermarket chain and disappointing results in other divisions. In addition, negotiations are under way with the discount store Promodes for the latter to supply food to Printemps departments and to order its own non-food lines via Printemps. This year's investment programme has already been put into cold storage. Behind the decision is the

Profits growth at BFG

FRANKFURT, Jan. 25. THE BANK FÜR GENUSSCHAFT, which is owned by the West German trade unions, today reported a substantial increase in both balance sheet total and profits for 1976. The total assets of the parent bank rose even more strongly than in 1975, while the figure for the group itself is likely to be up by about 14.5 per cent, rather less than the 15.5 per cent growth rate of the previous year. Dr. Walter Hesselbach, chairman of the BFG's executive board, announced that the bank's balance sheet total rose by over 16 per cent to DM2.6bn. The group's balance sheet total, he said, was expected to reach something above DM40bn. The main impetus for growth lay in the sharp rise in customers' deposits, he said. They went up by over 30 per cent to DM14.2bn. The steepest rate of increase came in time deposits of less than four years, which rose by 50 per cent. Savings deposits, while not growing so fast as in 1975, rose by an average 15.5 per cent to reach DM12.6bn. Advances to customers went up by 12.5 per cent to DM1.27bn. Of this figure, short-term advances rose by 15 per cent to DM481m, to DM58m and long-term advances increased by 10 per cent to DM3.27bn. Although final earnings figures are not yet available, Dr. Hesselbach said that profits should certainly show an improvement on 1975 returns. The increase in business volume had produced higher interest earnings, and profits from services had also increased.

Problems at Phoenix-Gummi

FRANKFURT, Jan. 25. PHOENIX-GUMMI shareholders 1974's net of just DM1.1m, still in the dark about their (2266.990) and 1975's DM2.3m, still under the 1975 level, while the DMT7.96m, reported in 1971, rather badly. In the longer term the earnings look fairly thin. Dr. Peter Weiland, chairman of the Phoenix-Gummi executive board, today reported that constant year Phoenix restated European group turnover last year showed a small increase on 1975's DM695.6m. It rose to DM704.8m (1146.5m). The sales of the parent concern remained at about the same level as last year, totalling DM339m. The group's problems were expected to be around a "zero mark." This follows centred in its tyre manufacturing


operations. Sales of its steel-girdle motor car tyres came to just under the 1975 level, while its commercial vehicle tyres did rather badly. In the longer term the earnings look fairly thin. Dr. Peter Weiland, chairman of the Phoenix-Gummi executive board, today reported that constant year Phoenix restated European group turnover last year showed a small increase on 1975's DM695.6m. It rose to DM704.8m (1146.5m). The sales of the parent concern remained at about the same level as last year, totalling DM339m. The group's problems were expected to be around a "zero mark." This follows centred in its tyre manufacturing

Dutch merger legislation

AMSTERDAM, Jan. 25. DUTCH government's most equal representations of Dutch employers, employees and the Economic Council (SER), is to advise the government to introduce legislation for a system of advance assessment of mergers. Future mergers will be judged by the government whether they are not against the interest of economic competition, which is covered by the code of conduct for mergers, but also as regards the employment aspects. The SER, which consists of

control of "great importance." However, in the SER advice sent to the ministers some disagreements remained, despite approval of the outlines of merger control. For example, employers will want legislation only to cover enterprises who enter the merger will have at least 8,000 employees and in addition the smallest of the enterprise to be merged to have at least 500 employees and sales of at least Fls.100m. The unions feel that mergers should already be subject to Government consent in the smallest enterprises involved has at least 100 employees and a turnover of Fls.20m.

This advertisement complies with the requirements of the Council of The Stock Exchange of The United Kingdom and the Republic of Ireland



Banque Canadienne Nationale

(Incorporated under the Bank Act of Canada)

Can. \$30,000,000 8% Bearer Deposit Notes

To mature February 15, 1983
Price 99 3/4%

Wood Gundy Limited
Lévesque, Beaubien Inc.
Banque de Paris et des Pays-Bas
Commerzbank Aktiengesellschaft
Union Bank of Switzerland (Securities) Limited

The \$30,000 Bearer Deposit Notes of Can. \$1,000 each constituting the above issue have been admitted to the Official List. Interest is payable annually on February 15, the first payment being made on February 15, 1978. Particulars of the Bearer Deposit Notes are available in the statistical services of Exrel Statistical Services Limited and copies may be obtained during business hours up to and including Wednesday, February 9, 1977 from:

Wood Gundy Limited
30 Finsbury Square
London, EC2A 1SB

R. Nivison & Co.
25 Austin Friars
London, EC2N 2JB


January 26, 1977

All these securities having been sold, this amount appears as a matter of record only.

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Banque Bruxelles Lambert S.A. Banque Nationale de Paris
Union Bank of Switzerland (Securities) Limited

IBJ International Limited The Bank of Tokyo (Holdings) N.V.
A. J. Bank Nederland N.V. A. E. Ames & Co. Limited (Incorporated in Rotterdam, N.V.)
Arnold and S. Blechroeder, Inc. Julius Baer International Limited Banca Commerciale Italiana Banca di Genova
Banca Nazionale del Lavoro Banco di Roma Bank of America International Bank G. A. Harb, Bank D'Angelo
Bank Leas International Ltd. Bank Mees & Hope NV Banque Francaise de Commerce Exterieur
Banque de l'Indochine et de Suez Banque Louis-Dreyfus Banque de Neuchâtel, Société Générale de Neuchâtel
Banque de Paris et des Pays-Bas Banque de l'Union Européenne Baring Brothers & Co. (Incorporated in London)
Bayerische Vereinsbank Bergebank Berliner Bank Aktiengesellschaft Berliner Handels- und Finanzbank
Chase Manhattan Bank Clariden Bank Commerzbank Aktiengesellschaft County Bank Credit Commercial de France
Crédit Industriel et Commercial Crédit Lyonnais Credit Suisse White Wolf Credit Suisse Bank Zurich
Credito Italiano Daiwa Securities (H.K.) Limited DBS-Daiwa Securities International Ltd. Deutsche Bank AG
Darmstadt Creditbank Deutsche Bank Aktiengesellschaft Deutsche Girozentrale Deutsche Kommunalbank Dewag & Co. (Incorporated in N.S.W.)
Dresdner Bank Effektenbank-Warburg Aktiengesellschaft Euroclearbank S.A. Compagnie Europeenne de Banque Europ. Am. Bank (Incorporated in N.S.W.)
European Banking Company Eurosecurities Limited Eurosecurities Limited Eurosecurities Limited Eurosecurities Limited
Export Finance & Co. Fuji Kienriyoshi Bankson Ltd. Guinea International Ltd. Gwosdow, Gwosdow, Ziemann & Co. AG
Göteborgs Lån- och Sparbank der österröschischen Sparkassen Goldmine International Corp. Harcourt Bank
Hilf Samuel & Co. (Incorporated in the Netherlands) Istituto Bancario San Paolo di Torino Japan International Bank Ltd. J. P. Morgan & Co. Bank
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Lloyds Bank Base Rate

Lloyds Bank announces that, with effect from Wednesday, January 26th 1977, its Base Rate for lending is reduced to 13%.

The rate of interest on new flat-rate Personal Loan will be reduced with effect from February 14th, 1977, by about 1% per annum. The true annual rate of interest varies according to the period of the loan.



Williams & Glyn's announces that with effect from Wednesday, Jan. 26th the following annual rates will apply

Base rate 13% pa
Deposit rate 9 1/4% pa
Savings account 9 1/4% pa


WILLIAMS & GLYN'S BANK LTD

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Wednesday, January 26th, 1977, their Base Rate for lending will be reduced from 14 per cent. to 13 per cent. per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £500 up to £100,000 will be at the rate of 11 per cent. per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011




National Westminster Bank

Rate Changes

National Westminster Bank announces that for balances in its books as from and including Wednesday, 26th January, 1977, its Base Rate for lending is reduced from 14% to 13% per annum and its Deposit Rate on all amounts lodged subject to seven days' notice of withdrawal is 9 1/2% per annum.

Savings Accounts will now attract interest at 9 1/2% per annum. All other rates remain unchanged.



BANK OF SCOTLAND

BASE RATE

The Bank of Scotland intimates that, as from 26th January, 1977, and until further notice, its Base Rate will be THIRTEEN PER CENT. PER ANNUM.

LONDON OFFICES—DEPOSITS

The rate of interest on sums lodged for a minimum period of 7 days will be NINE AND ONE HALF PER CENT. PER ANNUM also with effect from 26th January

INTERNATIONAL FINANCIAL AND COMPANY NEWS

David Curry in Paris and Geoff Owen in London examine the implications of the Case/Poclair deal for the European construction equipment industry.

The U.S. challenge yet again

One of the jewels of the French engineering industry acknowledged to be the world leader in its field is to be rescued from financial disaster by an injection of cash from an American multinational, Tenneco. As if this was not galling enough for the French, the problem has arisen not in a high-technology field like computers where American superiority is well-known, but in an industry which European virtually invented and continue to dominate.

The company concerned, Poclair, builds and sells hydraulic excavators on a scale which dwarfs that of late-comers like Caterpillar, Massey-Ferguson and Ford. The fact that even in this branch of engineering the outstanding European specialist has run into trouble is bound to revive anxieties—and not only in Paris—but that old spectre—the *défi Américain*.

Ability to compete

Construction equipment, of which hydraulic excavators are a part, is precisely the sort of industry in which Europeans, to borrow a phrase from the Ryder Report on British Leyland ought to be able to compete. Yet many people in the trade believe that the big North American companies, with their financial resources, worldwide marketing strength and comprehensive product range, will in the next decade or so absorb or eliminate most of the European independents, except those specialising in niches of the market where volume is too small to attract the giants.

It is this prospect which lies behind the periodic attempts which are made to re-structure the British-owned construction equipment makers. The Poclair affair may give a fillip to the talks which the Department of Industry has been having with the principal firms, although the management and financial obstacles in the way of full-scale rationalisation are probably insuperable.

The American challenge has become stronger in the past few years, for two reasons. First, those companies which have been well established in Europe for many years have extended their range of products to the market where the Europeans have traditionally been strong. Caterpillar, for example, introduced its own range of hydraulic excavators, a market dominated by Poclair and two German concerns, Orenstein and Koppel (O and K) and Liebherr. The same company brought in a range of small crawler and wheeled loaders, sourced in Japan. These new products, backed by the legendary Caterpillar dealer network, are certain to make an impact; as one rival comments, "when we can't get detailed statistics on a market, we just assume that Cat has at least 50 per cent. of the business."

Second, the other North American companies which had been mainly interested in farm machinery, or which were slow to get themselves organised in Europe, have begun to move. Massey-Ferguson, for instance, made a big commitment to construction equipment in the 'sixties (a new plant was built in Italy), but the purchase of Bannockburn in 1974 greatly enhanced its competitive position. These companies are not inflatable, but once they have set their minds on a certain objective, they are hard to stop. An example is the speed with which Case has taken the Tenneco subsidiary which is

to become Poclair's partner, is making up for lost time in the backhoe loader market—a business which Case dominates in the U.S. J. C. Bamford has over half the U.K. market in this product and is strongly placed throughout Europe (especially France), the Case, with a new product and a streamlined sales network, is gaining penetration. Like the other Americans, Case has a wide range of equipment and factories may decide to introduce a back-



Poclair excavator

in several countries—Leeds for assembling crawler loaders and dozers, Vlerzon in France for backhoe loaders (using engines and other components supplied by David Brown, another Tenneco subsidiary) and Spain for wheeled loaders. The only important part is hydraulic excavators—hence the deal with Poclair.

Price factor

Price is a big factor in this business and the bigger companies can afford to cut margins for a while as they build up market share. This is one argument to support the view that the most logical rival is the companies which begin in earnest. Another is the scarcity of dealers who have the management and financial capacity to handle a full line of equipment. To make matters worse, Komatsu of Japan, widely regarded as Caterpillar's most formidable world rival, is beginning to make its presence felt in Europe. It is, of course, a strong competitor for export business in third countries.

As for the European response, the most logical strategy seems to be that adopted by Fiat. By pooling its construction equipment interests in a 60/40 partnership with those of a major American producer, Allison-Chalmers, it has achieved both a wide and a useful position in the U.S. market itself. With crawler loaders and hydraulic excavators made in Italy, wheeled loaders in the U.K. and the larger machines in the U.S., Fiat can take on the Americans at their own game. For the smaller European firms there appear to be three options. One is to steer clear of a direct confrontation with the giants and stick as far as possible to specialized items; this is the approach followed by Babcock and Wilcox in the U.K. The second is to attack on a broad front, as J. C. Bamford has done. The success of this strategy is based on the backhoe loader, a remarkable entre-

preneurial triumph by the founder, Mr. Joseph Bamford. But it is represented in all the high-volume segments of the market (the first four of the seven products listed in the table) and thus has a full line to offer dealers.

The trouble is that each of these segments is becoming more crowded; there is speculation that the mighty Caterpillar may decide to introduce a backhoe loader. J. C. Bamford, still a family-owned company, has considerable financial strength, but it remains small by world standards. The third option is to fight on a narrower front, aiming at such excellence in one or two selected products (like Poclair in hydraulic excavators) that a world market position can be achieved and held. In the U.K., for instance, Hymac, the Powell Duffryn subsidiary, has about a third of the hydraulic excavator market. After the recent agreement with Demag (which specialises in the heavier

Rationalisation

Within the U.K. the theoretical attractions of rationalisation are obvious. Aveling Barford, for instance, the Leyland subsidiary, has a good overseas network and a strong position in dump trucks and graders; it recently moved into crawler loaders by buying Marshall Fowler. With the National Enterprise Board behind it, should it not add hydraulic excavators to its range by buying Priestman from Acrow or Hyman from Powell Duffryn—always supposing the owners were willing to sell? Other permutations, using J. C. Bamford as the nucleus, could be devised. Even if the practical problems could be overcome, it is not clear how the filling of the pack inside the U.K. would necessarily lead to a stronger world position. A better approach might be to follow Fiat's example and seek acquisitions or alliances which provide direct access to the key markets of Continental Europe and the U.S. What is very clear is that the Europeans will have to make their dispositions soon if they are not to fall behind in the race.

EUROBONDS

Beneficial notes

BY TONY HAWKINS

BERLIET, the heavy truck national Corporation, a wholly-owned subsidiary of the U.S. Beneficial Corporation group is to raise £50m. in the Eurobond market. The company is issuing seven-year (bullet) notes on an indexed 5 per cent. coupon, priced at par on an 8 1/2 per cent. coupon, traded yesterday at around the 98 level. This gives some indication of the current difficult mood of the bond market as a whole—and of Canadian dollar issues in particular.

The Beneficial issue, coming at 9 per cent. over 7 years, has the important advantage of being a double-A rated U.S. name. In recent months, Eurobond investors have complained of the

scarcity of high-quality U.S. corporate paper, and Beneficial will give these investors an opportunity to invest in a group with a strong Double-A rating from both agencies, though denominated in Canadian dollars.

In the Swiss Franc sector, the Coppenhagen Telephone Co. Sw.Frs.30m. 15-year bond issue will be made at par on a coupon of 5 1/2 per cent. This follows the 5 1/2 per cent. coupon obtained earlier in the month for the Republic of Austria issue.

The World Bank has privately placed through the three major Swiss banks, a Sw.Frs.500m. issue of 5-year notes with a coupon of 5 1/2 per cent. This includes Sw.Frs.300m. of financing of a previous placement and Sw.Frs.200m. of new money.

Prices were little changed in quiet secondary market trading of dollar bonds yesterday though late in the day dealers noted a decided easing tone. This was attributed to the strength of the U.S. dollar, sparking off sales from the continent, further upward pressure on Eurodollar deposit rates and some diversion of funds by institutional investors into U.K. gilts.

BONDTRADE INDEX

Table with 2 columns: Bond type and Tuesday Monday index values. Includes Medium, Long, and Convertible bonds.

Improvement at Berliet

By Robert Mauthner

PARIS, Jan. 25. BERLIET, the heavy truck subsidiary of the State-owned French Renault motor-car company, has announced encouraging results for 1976 in spite of a slight fall in production.

Provisional pre-tax sales rose by nearly 10 per cent. on a year-on-year basis to nearly Fr.40n. (about £70m.) while production dropped to 33,800 vehicles compared with 33,975 in 1975.

The financial situation of the company showed an encouraging improvement, with the wiping out of debts amounting to Fr.400m., which brought Berliet's total indebtedness down to 25 per cent. of turnover.

The self-financing ratio—six per cent. of sales—was also the highest for a long time, according to M. Vincent Grob, Berliet's chairman, who said that this figure was similar to that of some of the company's major foreign competitors such as Mercedes and Fiat.

M. Grob took a cautious view of prospects for the coming year. While the company looked forward to a modest resumption of activity, notably in export markets, where sales fell by 38 per cent. last year, its projections remain very prudent. Production in 1977 was unlikely to exceed last year's level.

Nevertheless, Berliet gave proof of its generally optimistic long-term view by announcing its intention to raise investments to Fr.350m. this year from only Fr.100m. in 1976.

THE MAIN CONTENDERS AND SOME OF THEIR PRODUCTS

Table comparing construction equipment manufacturers (The North Americans, The Europeans) across various product categories like Backhoe loaders, Crawler loaders, Wheel loaders, Hydraulic excavators, Heavy dump trucks, Graders, and Scrapers.

Note: This list, which is not comprehensive in terms of companies or products, illustrates the competitive situation in some of the main sectors. There is a wide range within each sector, so that in wheeled loaders, for instance, companies may specialise in the heavier machines and not compete directly against those offering only the smaller equipment.

Why Poclair faltered

TO-DAY'S agreement for the American manufacturer Case-Frs.521m. came from exports. These years saw a furious stake in the capital of the French family-dominated company Poclair marks the end of the French concern's search for a partner to fill its chronic capital deficit. It also marks the end of the second stage in the career of a company which within one generation catapulted itself from being a small provincial operation with a sound engineering background to a global enterprise.

Mucking about

Georges Bataille, a farmer in the rich flat lands of the Oise, north of Paris, had always liked mucking about with machinery. In 1928 he set up a workshop to repair agricultural equipment and manufacture his own creations. He gave it the name of the place near where he lived—Poclair. After the war he bought a factory in Crepy en Valois and employed 50 people. (Today the company employs half the working population of this hamlet which has grown to 12,000 people.)

The hydraulic excavator was developed by Mr. Bataille in 1951, and with it he gave the company a technological lead it would carry into the early 1970s: the company claims it still has the rights to the design. The Bataille retired (to return to pottering on his farm) in 1967 he handed over to his four sons, Pierre (chairman), Claude (managing director) and Bernard (South American sales chief) and Jacques (who left in 1968), a concern with a turnover of more than Fr.300m. a year and a workforce of 2,760.

When Georges Bataille died in 1975 the company had 9,500 workers, 60,000 hydraulic units in service, 60 per cent. of which were made at the time when the American market for hydraulic excavators, and a parent company turnover which in 1974 hydraulic excavator in late

1973) and the decline in the value of the dollar hurt Poclair's competitiveness severely. Ironically, the recession hit Poclair just at the time when it was launching a new range to maintain its technical lead over competition. Up to then the main competition had come from the German manufacturers, Orenstein and Koppel (O and K) and Liebherr. The Americans, with their marketing and financing power, began to take an interest in the hydraulic field in the 1970s. International Harvester bought the French concern Yumbo and Ford acquired Richter, giving these French groups the support of an international sales network, at the same time as U.S. companies like John Deere, International Harvester, Koehring and Caterpillar, were cutting into the American hydraulic market. In Japan too, Poclair came under pressure from local manufacturers.

Crisis

Poclair's request to be allowed to make 1,000 workers redundant was refused by the French authorities. The only redundancies permitted were fewer than 300 office staff in 1976—too late, too little and at the wrong end of the operation. The company ended 1975 with more than Fr.1bn. tied up in stocks. It was better at the end of 1976 but still unacceptably high. Factories in France capable of an output of 6,000 excavators a year produced 5,000 machines in 1975 and 4,000 in 1976—all on a full complement of manufacturing staff.

The recession also cruelly exposed the weakness of the company's financial structure, the inadequate volume of own capital and reserves. In 1972 own capital and reserves stood at just below Fr.170m. while long and medium-term debt stood at Fr.77m. and short-term debt at Fr.475m. In 1974 own capital had edged upwards to Fr.185m. while medium and long term debt had moved to Fr.85m. and short-term debt had rocketed to Fr.960m. At the end of 1975 capital and short-term debt remained about the same but medium and long-term debt had shot up to Fr.254m. On a consolidated basis the

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Table listing 10,000 coupon debentures with columns for distinctive numbers and prefix letters.

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the WCS-Agency Services Department of Citicorp N.A. Trustee, First National City Bank, Trustee, under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citicorp N.A. in Amsterdam, Frankfurt/Main, London, Luxembourg, Milan, Paris and Zurich, or at Citicorp N.A. in Brussels, and Citicorp (Luxembourg) S.A. and Citicorp (Switzerland) S.A., in Luxembourg and in Zurich, respectively. Payments at the offices referred to in (b) above will be made by a check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on March 1, 1977, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date of redemption. On and after the redemption date, interest on the said Debentures will cease to accrue. Upon presentation and surrender of such Debentures with all coupons pertaining thereto for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee.

Coupons due March 1, 1977 should be detached and presented for payment in the usual manner. Transocean Gulf Oil Company By: CITIBANK, N.A., as Trustee

Advertisement for The Coca-Cola Company and The Taylor Wine Company, Inc. featuring the White, Weld & Co. logo and contact information for international investment bankers.

Handwritten Arabic text at the bottom of the page.

FINANCIAL TIMES REPORT

Wednesday January 26 1977

Isle of Man

The Isle of Man has put to good advantage its unique political and economic status. Careful avoidance of known pitfalls has produced a sound and flourishing financial sector, backed by tourism and other industry.

Fine sense of balance

By Colin Inman

THE JOURNEY from London to the Isle of Man in the middle of winter is likely to stir up all one's prejudices about the place. The trip involves changing air-craft at Liverpool on to an ageing Viscount, which bounces its way into Ronaldsway Airport in the teeth of a wind that one pilot described as having come on an uninterrupted journey from the polar ice cap. During the flight one comes to believe the popular mainland view of the island; that, stuck in the middle of the Irish Sea, it is a cold and inhospitable place; that its financiers will be busy counting their money and looking for the next fast buck; and that it is populated by ex-colonialists and others of right-wing persuasion, people anxious to remain in the British Isles while dissociating themselves as far as possible from the ailing U.K. economy. Around 500,000 visitors arrive in the Isle of Man each summer season, a number that does not overstrain the island's capacity to house and entertain them.

None of these preconceptions is without truth, but the face the island presents is a sunnier one in all senses than I had been led to expect. The pace of life is relaxed. Many people are proud of their independence, while still recognising the need for close links with the U.K. They live amid some spectacular scenery in a physical climate that is healthy rather than hot and an economic climate that is healthier than that of the U.K., which is conveniently situated just across the water.

Fairly conveniently anyway. The island's sea links with what I hesitate to call the mainland are adequate, the air service less so. There are few direct flights to the island in winter, and the air fare—£22 return London to Douglas—is a source of great concern. Talks with the airlines have so far failed to make much headway, and the island suffers the additional disadvantage that its air services connect with Liverpool rather than Manchester. The latter links into the international air network, the former does not.

Priority

Solving this problem is a major priority because efficient communications are essential to both tourism and the financial sector, particularly since during recent years the tourist industry has failed to make the sort of profits needed to allow for adequate investment.

Around 500,000 visitors arrive in the Isle of Man each summer season, a number that does not overstrain the island's capacity to house and entertain them.

And the physical attractions are considerable; a range of scenery that within a few miles can make you imagine you are visiting the Cornish coast, the Lake District, the Yorkshire moors or the Scottish Highlands. To say nothing of adequate sandy beaches, pleasant fishing villages and a great splendour of Georgian and Victorian seaside architecture, much beloved of the Poet Laureate. It is a matter of regret to the Tourist Board that most visitors only see what the island has to offer from the windows of an excursion coach.

The profitability of the tourist industry is closely linked to the matter that has most exercised Manxmen over the past year: the Common Purse arrangement with the U.K. Renegotiation of this deal might mean that the Government would be free to set its own level of consumer sales tax, thus freeing the tourist and service sector from VAT. Lower customs duties on alcohol and tobacco might also result, and would boost the tourist trade, though by how much is a matter for speculation.

A recent report on the economics of abandoning the Common Purse arrangement, prepared by PA Management Associates, suggests that such a move would be profitable, but the report has come in for some criticism in the island, and Tynwald, the island parliament, whose members were newly elected last November, seems unlikely to do anything precipitate.

Among the factors to be considered is that abandoning the present arrangement, which provides about half the Treasury

THE COMMON PURSE

THE MAIN issue during campaigning before the General Election in the Isle of Man, held last November, was whether or not to abandon the "Common Purse" agreement with the U.K.

Under this 19th century arrangement the levels of customs and excise duties and VAT are the same as in the U.K. and are collected by the British Board of Customs and Excise. The island's share, worked out on the basis of a weighted population figure to allow for visitors to the island, is then refunded. In 1976-77 this will bring in around £15m., or 50 per cent. of total Treasury revenue.

A report commissioned by the Government and published last year recommended that the island abandon the agreement and set its own levels of duty. Cheaper drink and tobacco would attract more tourists and relieving the tourism sector of the burden of VAT would allow it to make the profits necessary for much needed modernisation and expansion. Publication of the report, which received a mixed reception from the various sectors of the island's economy, was well timed for the issue to become the main election issue. Just over half of the 71 candidates for the 24 seats in the House of Keys appeared to be in favour of altering the CPA. But as the election results came in it became apparent that voters had effectively rejected many of the report's proposals and that the new House of Keys would not take any precipitate steps without more information and fuller discussion. A select committee is likely to be appointed to investigate the matter. In the end some renegotiation of the CPA is probable, but abandoning the agreement totally is unlikely. In the 18th century the Isle of Man was known as a nation of smugglers. Manxmen seem to be in no hurry for the same thing to happen again.

revenue, would create a customs barrier between the Isle of Man and the U.K. What, then, if the U.K. authorities decided that it would be uneconomic to operate such a system at some of the connecting ports? (The Isle of Man has regular sea links with Liverpool, Fleetwood, Arrols and Llandudno, as well as Belfast and Dublin.)

The island's industrial sector is naturally unhappy at the prospect of long delays for its goods, which would have to undergo U.K. Customs examination. And although industry's share in the Manx income has declined during recent years, as that of

the financial sector has grown, an efficient industrial sector is bound to be essential to the balanced economy that the island needs to maintain. And although manufacturing's proportion of revenue has fallen, the industry has grown steadily in size for the past five years, and a generous range of investment incentives is available for suitable and environmentally acceptable new industry, preferably with high added value output. But more attention needs to be paid to training, and the island's export marketing also needs developing. It is the financial sector, now

the largest sector of the economy at around 25 per cent. of national income, that is most disposed to alter the current relationship with the U.K. The PA report, which makes a lot of political judgments in what is supposed to be an economic assessment, points out, in referring to the need of island business to make VAT returns, that business records are stored in a computer at Southend under U.K. supervision and remarks that "No financial centres can in the longer term afford to have only financial records of banking and insurance institutions supervised by agents of a foreign government." The report believes that this has made it more difficult to attract foreign funds. By any standards this is a provocative point of view, and it says much for the common sense of the Manxman (who has a reputation for being unenthusiastic about change) that no one I met was prepared to say more than that some renegotiation of the Common Purse is needed.

Envious

Although there are those who cast envious eyes at the financial activities of the Channel Islands—whose transport links with the U.K. are also much better—and who would like to see the island's financial centre growing rather faster, there is much to be said for the more measured pace that the Isle of Man has adopted or been forced to adopt. The island has avoided the worst effects of the tax haven boom in the Caribbean in the early 1970s, and there has as yet been no need

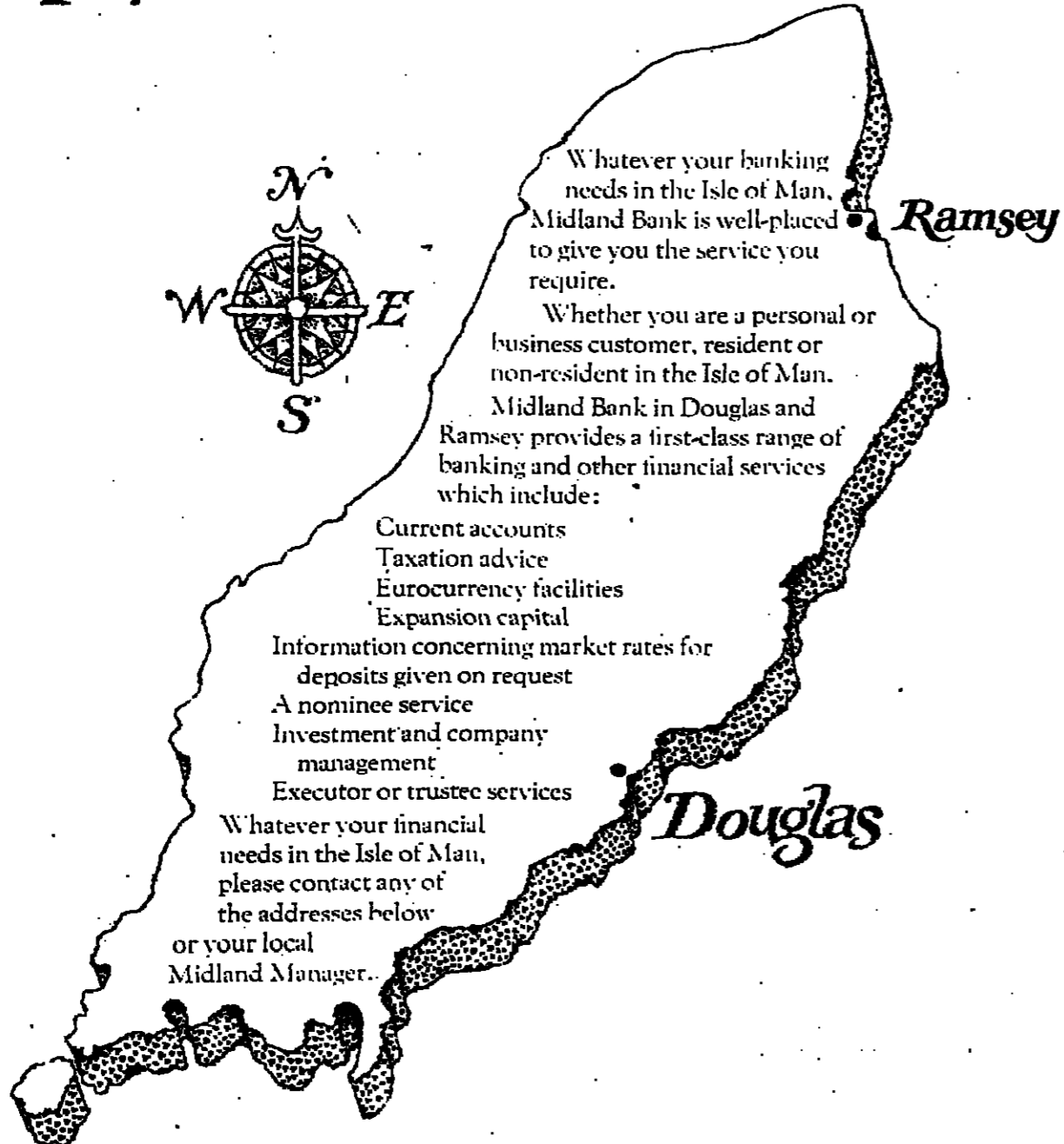
to subject immigrants to a financial premium, as in Jersey, or Act 1967, banning pirate radio stations, was a particular cause of annoyance—and that Whitehall often fails to consult the island Government on international matters. The U.K.'s view on this latter point is that it would not wish to suggest that there is an option open to the island which does not in practice exist.

Deterrent

Embarrassments do, of course, occur. One is the island's barbaric habit of birching juvenile offenders. The islanders, I was assured, are 90 per cent. in favour of retaining the birch and most of them are convinced that its deterrent effect is responsible for the island's low crime rate—not that there are any statistics available to prove this one way or the other. The issue, a three-cornered debate between the island, Westminster and the European Parliament, seems to be passing through a number of true British compromises, and no doubt a solution will eventually be found.

But this is a matter that should not be allowed to cloud more serious issues. Operation of a tax haven within the British Isles, particularly in difficult economic times, calls for a delicate balancing act if it is to remain acceptable to a Labour administration in the U.K., while at the same time attracting the necessary financial business from the U.K. and overseas. So far the Isle of Man seems to have kept its balance.

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ISLE OF MAN II

Ken Cowley

THE ISLE of Man is real ale country. By law only pure malt, hops, sugar and water can be used to produce a Manx beer. There are two breweries from which to choose—the Heron and Breairey Group and Castletown Brewery.

The Chairman of the Heron and Breairey Group, which includes Okell's Brewery, is Mr. Ken Cowley. A true Manxman, he is proud of the part his Group has played in developing not only the local brewing industry but tourism generally.

The group's brewing interests date back to 1857. It owns and controls over 70 pubs, is the biggest hotel group, and employs over 500 people, making it one of the largest employers on the Island. The H. and B. Group produces draught bitter and mild, a pale ale, nut brown and a strong ale. It is sole agent on the island for Guinness, Bass, Bulmers Cider and several other well-known labels.

Ken Cowley's son John is Manager and Director at Okell's Brewery and a recent addition to the main Board was Manxman Sir Douglas Clague.

There is no potential for export of Okell's ales, and the group's interests are tied largely to the future of the Manx tourist industry. "There is a need," says Ken Cowley, "for the Government to put more money into our tourist industry, including some improved grants for hoteliers." Probably, more than anyone else on the island he is conscious of the overall problems facing the tourist industry.

Although the Island's traditional market is the North of England and Scotland, "we have," he says, "to make every effort to attract people south of Birmingham: people who in many cases don't even know how to get here."

Two of the biggest attractions every year are the TT races and the Manx Grand Prix, and in the past he has been an active organiser and promoter of these events.

The waters around the island provide good fishing grounds and Mr. Cowley is a keen golfer and angler. "Last year was good but the big ones," he says, "seem to be smaller, or perhaps it is just that the fishing stories are a little more honest."

Mr. Cowley is also a director of the Isle of Man Steam Packet Company, and the Royal's local subsidiary Tower Insurance. He is Deputy President of the Isle of Man Red Cross Society.

Robert Eason

SIR WALTER SCOTT once said "a lawyer without history or



Ken Cowley



Robert Eason



Dursley Stott



Percy Radcliffe



Sir John Paul

literature is a mechanic, a mere working mason; if he possesses some knowledge of these, he may venture to call himself an architect."

Sir Walter would no doubt have called the First Deemster of the Isle of Man, His Honour Robert Kinley Eason, an architect.

A Deemster is basically the equivalent to an English High Court Judge. The Isle of Man has the world's only two Deemsters. Appointed by Her Majesty's Warrant, each has equal jurisdiction throughout the Island.

As a pupil of Douglas High School and King William's College, Deemster Eason started his legal career at Dickinson and Cruikshank and Co. In 1930, having obtained an LL.B. degree at London University and been called to the Bar at Gray's Inn in 1929. He served the Island as High Bailiff and Chief Magistrate from 1961 to 1969 when he became Her Majesty's Second Deemster. In 1974 he was appointed to his present position as First Deemster and Clerk of the Rolls, and to the office which accompanies it, namely that of Deputy Governor of the Isle of Man.

Manx law basically follows the Common Law of the U.K. Although a substantial part of U.K. legislation is followed on the Island, there are many English statutes such as the Abortion Act of 1967 and the present U.K. Homicide Act of 1957 which the Island has not followed.

The Deemsters between them cover the Chancery Division, Common Law, Divorce and all other branches of the law arising within the Isle of Man.

No doubt one of the highlights of each year is Deemster Eason's duty on Tynwald Day when the Island's laws which have been passed during the last year are promulgated, and which he reads in the Manx dialect at this

annual open-air ceremony dating back to the 11th-century.

In spite of his strenuous duties at the top of the Manx legal tree, Deemster Eason is also active as President of the Isle of Man Anti-Cancer Association, and is Chairman of the Trustees of Cunningham House Scout and Guide Headquarters.

Deemster Eason says that he is confident that as the Island's economy has changed so the law involved has increased so as to cope with the modern climate of opinion. This has also increased the amount of work for the Manx Courts.

Dursley Stott

AROUND THE year 1900 the Isle of Man was fortunate to have men, few of them Manxmen, who had the vision, determination, money and flair to create the harbour facilities at Douglas, the Manx Electric Railway, the Loch Promenade, and many other big projects. Projects which put the Isle of Man's tourist industry ahead of most other areas in the British Isles.

At 41, Dursley Stott is too young to have been involved, but his grandfather built one of the main hotel blocks on Queens Promenade and was one of the founders of the Palace Company, which for years dominated the local entertainments industry.

As well as being the Island's leading stockbroker, Mr. Stott is involved in insurance, hotels, travel agents and many other local businesses. He is Chairman of Manx Overseas Investment Trust, a local industrial conglomerate, and a director of Barclay Unicorn International Isle of Man and of Sun Alliance I.O.M. He is credited with initiating, some years ago, the first of many Manx-based unit trusts.

However, more recently some of his enthusiasm has been diverted to mineral exploration.

He is chairman of Carrick Exploration, which has a licence from the Manx Government to explore certain areas in the south of the island. "It is early days with this project," he says cautiously, "but the potential benefit to the Isle of Man could be considerable."

On a recent visit to the U.S. he was very impressed with the traded options market in Chicago. "I am disappointed," he says, "that the U.K. has decided, for the time being, not to have one. I think it is a mistake."

He believes that all the free markets of the world will have traded options in the next few years.

In 1958 he ran in the Empire and Commonwealth Games. He took a law degree at Cambridge.

When he returned to the Isle of Man in 1959 there were none of his former schoolmates around and little employment available for young Manxmen, and he was fortunate to be able to fulfil a long-standing ambition and join the family stockbroking business.

Although he does not fit the name of his own cricket team, the "Swashbucklers," which performs by invitation, one gets the impression that he has still a lot to do and a long way to go.

Percy Radcliffe

UNTIL ten years ago Mr. Percy Radcliffe was a man of the land. With his recent appointment as Chairman of the Isle of Man Finance Board, to-day he is probably the most powerful politician on the island. His political career started in 1963 and for the past ten years he was Chairman of the Local Government Board, the authority which controls all planning and building development.

"I am a supporter of private enterprise," he says, "and believe in encouraging people to make a profit."

The Island should expect no immediate changes, but the next few years will no doubt produce

an example of his own particular brand of political management. "I intend," he claims, "to use common sense." As Chairman of the Local Government Board he had a reputation for hard work. His new role will be to continue to encourage greater development of the Island's economy in order to balance the budget and provide for the increased demands on social services. "However," he says, "we must not blindly follow policies of the U.K. Government as we have tended to do in the past."

In recent years there has been a tendency for the Finance Board to try to dictate policy, but as he says it is up to Tynwald to decide on policy, not the Finance Board.

Mr. Radcliffe believes in maintaining and expanding village life. For instance, eight years ago Sulby, the village where he lives with his wife Barbara, had eight pupils at the school. Now there is a thriving community of 56 pupils.

When he left Ramsey Grammar School he worked on the family farm which his son now runs; his other son and daughter both being psychologists. When time permits he does a little gardening, but one suspects that his work could well be one of his hobbies.

THE QUEEN is the Lord of Man and her representative on

Sir John Paul

THE QUEEN is the Lord of Man and her representative on

the Island is Sir John Paul, G.C.M.G., O.B.E., M.C. As a former Governor and Governor-General of the Gambia and the Bahamas, and Governor of British-Honduras, his duties in the Isle of Man are somewhat different.

As Lieutenant Governor he is the channel of communication between the Home Office and the Isle of Man Government. He is responsible for the good government of the island, and in particular for external affairs, defence and security. He sits on the Executive Council and presides over the oldest continuous parliament in the world, the Court of Tynwald.

Sir John feels that the island's present economic policy points in the right direction and that politically the island is well placed. "It is important," he stresses, "to maintain a sensible relationship with the U.K. Government. However, there is a tendency to follow the U.K. Government too closely."

One of the phenomena of Manx life is the amount of money, running into hundreds of thousands of pounds, raised each year for charity. Although each new Governor and his wife devote to charitable work during their stay, since their arrival three years ago Sir John and Lady Paul's level of involvement with community affairs has been outstanding.

There is undoubtedly a wider cross-section of people who have visited Government House or attended a reception there than has been apparent for many years.

"It is remarkable," Sir John said, when asked about his and particularly Lady Paul's active role in the community, "the variety of organisations and clubs there are here." Each year Sir John and Lady Paul attend a huge number of functions.

With two years left of his five-year term, His Excellency and Lady Paul will be much missed when it is time for them to return to their home in Hampshire.

D.N.



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In addition, for our clients seeking detailed information on the Isle of Man, we have recently published our own survey entitled "The Constitution and Economy of the Isle of Man", of which a limited number are now available on request from the manager at £10 per copy.

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Handwritten text in Arabic script: "سكندرية من الاصل"

ISLE OF MAN III

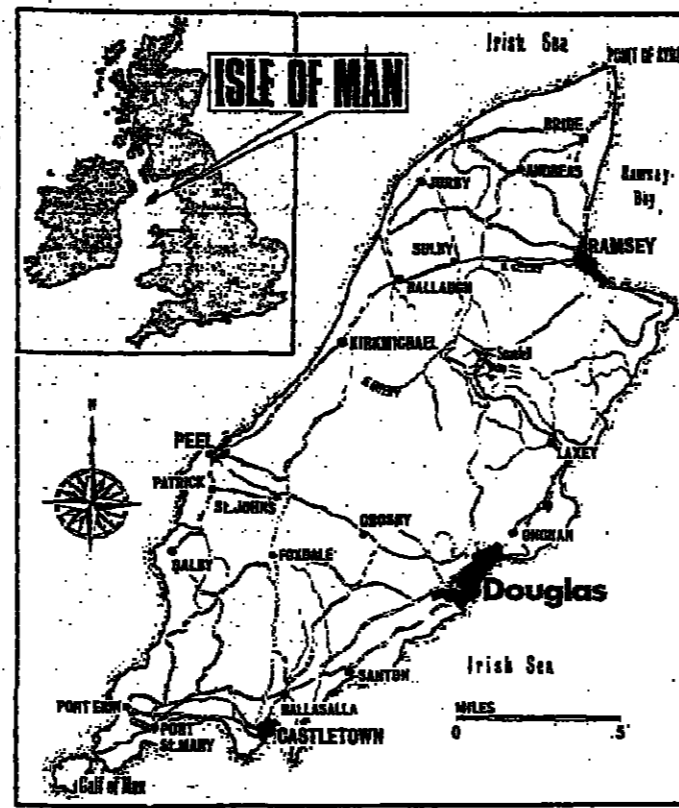
The island economy

INDUSTRY

THEY were aware of the years. There are transfer grants, training grants, and if an approved company wants to rent a new factory rather than build its own with grant assistance, a rental grant will invariably be given to reflect the saving on the building grant. As well as the above benefits there is no corporation tax and the standard rate of income tax of 31.25 per cent. is payable on undistributed profits only.

Dominant

Light engineering is the dominant feature of Manx industry. The Dowry Group has a subsidiary, Doman Engineering, Davies-Charlton produces model aero engines; Marown Engineering and subsidiary Kenmac Controls established itself as a specialist in the manufacture of equipment for gas and fluid control. The latter company, headed by Walter Kendall in 1970, is one of the success stories of recent years.



TOURISM

IN A RECENT issue of Manx Life a local journalist suggests that public money should not be used to support such Victorian relics as the Isle of Man (Steam) Railway, the Manx Electric Railway and the Gaiety Theatre. Only steam freaks, he maintains, want to see a 19th-century steam railway, and the Gaiety, a "grotesque Victorian lady, requires plastic surgery at a price which is too high for us taxpayers to bear alone."

Maybe so, but many visitors would disagree, since these facets of an earlier and more leisurely way of life are an attractive complement to the island's great physical charm. Roughly half a million visitors arrive in the island each summer season. Of last year's total just over a quarter came for the day only, largely on sea excursion trips.

Lower

What the visitor will also find is hotel prices that are considerably lower than those in competing resorts on the mainland; they have to be overcome the cost of travel to the island. It is the rising cost of getting there and back that is partially responsible for the slight fall-off in tourist numbers last season.

Burness, Corlett and Partners (B.C.P.) moved its office from Hampshire to Ramsey. B.C.P. was established in 1952 and undertakes the design of all aspects of marine and associated work. Dr. Corlett is the naval architect for the S.S. "Great Britain" and was responsible for its salvaging and organising its safe return to the U.K. Some of its other clients include British India Steam Navigation, Ministry of Defence (Navy), Kuwait Oil Company, British Transport Commission and the U.S. Maritime Administration.

TRANSPORT

TRANSPORT IS one of the Isle of Man's big problems. Efficient and reasonably priced communications, particularly with the U.K., are vital if the tourist industry is to be able to compete with mainland resorts, as well as to the growing financial and industrial sectors. But at present all is not as the islanders would like it.

Favourably

Nor should one forget the "Flying taxi," five-seater aircraft operated by Air Charter and Travel, whose rates compare favourably with the scheduled fares and which can fly to around 30 airports in the British Isles as well as a number on the Continent.

PROPERTY

WHEN WRITING about the property market, the Press in the Isle of Man tends to bemoan the lot of the young married couple who want to buy a house but cannot afford it. Indeed, one of the biggest problems that a tax haven has to face when building up its operations is that its property market may become saturated. Demand for office space forces up rents, which in turn makes things difficult for existing businesses and shops.

This is the sort of thing that has already happened in the Channel Islands, where property is hard to come by and very expensive. But so far this situation has not spread to the Isle of Man; demand has not yet pushed prices through the roof, nor has there been any need to reduce the number of people moving into the island.

PROPERTY

routes except that to Llandudno. Again the pocket-conscious holidaymaker will use price lists and calculator to work out whether it is cheaper to take his own car or hire one in the island. The balance of advantage seems to change from year to year.

C.I.

The big question that the Manx Government has to answer is to what extent to subsidise any or all of these services, or whether some other course of action such as the removal of the VAT burden from the tourist industry or the lowering of excise duties would have a similar effect of restoring competitiveness at lower overall cost. The equation is a complicated one.

C.I.

Jamaica (for reasons of political stability), Rhodesia (from those who do not fancy life under a future Black government), and Guernsey (from those who cannot afford to live there any longer).

Fortunately, too, Manxmen have come to realise that their island is a veritable treasure-house of distinguished architecture. So far the depredations of redevelopment have not yet done as much damage as in many areas of the U.K. But up to now the island has lacked any listing system protecting buildings of architectural distinction; this is now being remedied and the first list is in course of preparation.

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WALL STREET + OVERSEAS MARKETS FOREIGN EXCHANGES

Carter's fiscal plan boosts stocks

BY OUR WALL STREET CORRESPONDENT

STOCK PRICES climbed moderately at lunchtime with certain issues buoyed by corporate news...

Metals index jumped 11.1 to 1137.6. JOHANNESBURG—Gold shares were easier despite higher Euro-peak bullion indications...

light trading, partly initiated by bond market weakness although leaders moved less than DM1 either way.

Among Electricals Siemens fell DM1.50 but VW rose by DM1.50. In Utilities RWE rose DM2.50 while in Chemicals Degussa fell DM2.50...

London GOLD PRICE. The London Gold Price rose to \$323.10 per ounce, up from \$322.10 on Tuesday.



Table of Gold Prices. Columns include Gold Bullion, Gold Coins, and various gold prices in different currencies.

MONDAYS ACTIVE STOCKS. Stocks closing on Monday, Jan 24, 1977. Includes lists for various sectors like Autos, Chemicals, and Industrials.

Other Markets. Stocks prices jumped ahead on the London exchanges over a broad front, with Oil and Metals heading the gains.

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Table of Foreign Exchanges. Lists exchange rates for various countries including New York, Amsterdam, and London.

Table of Indices. Shows Dow Jones Industrial Average and other market indices for January 24, 1977.

Table of Y.T.E. ALL COMMOD. Lists prices for various commodities like Wheat, Soybeans, and Coffee.

Table of Montreal. Lists stock prices for various companies in Montreal.

Table of Toronto. Lists stock prices for various companies in Toronto.

Table of Johannesburg. Lists stock prices for various companies in Johannesburg.

Table of Exchange Cross Rates. Lists cross rates for various currencies.

Table of Euro-Currency Interest Rates. Lists interest rates for various currencies.

Table of Standards and Poors. Lists stock prices for various companies in the Standard & Poor's 500.

Table of Y.T.E. ALL COMMOD. (continued). Lists prices for various commodities.

Table of Montreal. (continued). Lists stock prices for various companies.

Table of Toronto. (continued). Lists stock prices for various companies.

Table of Johannesburg. (continued). Lists stock prices for various companies.

Table of Exchange Cross Rates. (continued). Lists cross rates for various currencies.

Table of Euro-Currency Interest Rates. (continued). Lists interest rates for various currencies.

OVERSEAS SHARE INFORMATION

Table of Overseas Share Information (New York). Lists stock prices for various companies like IBM, General Electric, and Ford.

Table of Overseas Share Information (London). Lists stock prices for various companies like British Petroleum, Shell, and ICI.

Table of Overseas Share Information (Amsterdam). Lists stock prices for various companies like Philips, Shell, and ICI.

Table of Overseas Share Information (Tokyo). Lists stock prices for various companies like Nissan, Toyota, and Honda.

Table of Overseas Share Information (Munich). Lists stock prices for various companies like Volkswagen, Siemens, and BMW.

Table of Overseas Share Information (Frankfurt). Lists stock prices for various companies like Deutsche Bank, Daimler-Benz, and Siemens.

Table of Overseas Share Information (Zurich). Lists stock prices for various companies like Swissair, Nestle, and Roche.

FARMING AND RAW MATERIALS

Base metal markets decline

By Our Commodities Staff

THERE WAS a brisk shakeout in the London metal markets yesterday following the recent steady advance.

Copper cash wirebars ended a six-day run of advances with a \$4.25 fall to \$296.75 a tonne aided by an easier tendency in New York. The sharpest decline was in the tin market, where cash standard metal ended \$50 lower at \$5,317.5 a tonne.

An overnight rise in Penang wiped this price up initially, but a sudden \$100 decline in New York wiped this out. Some fresh buying was encouraged at the lower level, but it took reports of heavy Russian buying in the afternoon to life the market significantly. This attracted further buying before the close.

The lead and zinc markets were largely featureless and prices followed the trend in copper and tin. Cash zinc ended the day \$0.5 lower at \$413 a tonne. Cash lead closed \$3.5 down at \$240.5 a tonne.

Mr. Akira Fujisaki, president of the Japan Mining Association, said producer and consumer nations should consider adopting a producer's price system for the world copper market to stop wide price fluctuations.

He told a news conference he preferred a producer's price system to the creation of a metal exchange in Japan, the establishment of a Tokyo warehouse for the London Metal Exchange.

These possibilities, which have been suggested in Tokyo, would be difficult to realise because foreign exchange transactions in Japan had not been completely liberalised while movements of interest rates were not entirely free in the Japanese capital market, Mr. Fujisaki said.

Development of new copper mines was not feasible at present copper price levels so a serious copper shortage could emerge by 1985, he said.

Britain going ahead with pig subsidy payments

BY PETER BULLEN

BRITAIN is going ahead with the payment of its emergency subsidy of about £2.50 a pig to its pig farmers.

As the row over the legality of the U.K. move grew yesterday Mr. John Silkin, the Minister of Agriculture, gave permission for the release to farmers of the details of how the subsidy could be claimed for pigs slaughtered from next Monday.

Earlier he was visited by Mr. Finn-Olaf Gundelach, the EEC Commissioner for Agriculture, who was starting his series of meetings with EEC farm Ministers to discuss this year's EEC farm price review in London.

The Commissioner lost no time in pointing out that the payment of the pig subsidy was considered illegal by the Brussels Commission but that he hoped for a peaceful solution to the problem.

Mr. Silkin said it was the unfair calculation of the EEC pig meat monetary compensatory amounts, which gave EEC exporters to the U.K. market an advantage over U.K. producers, which led to the introduction of the national aid for pig farmers.

Mr. Van Os reported from Amsterdam that Mr. A. Van Der Stee, the Dutch Farm Minister, had written to the Brussels Commission about the U.K. pig subsidy plan.



Mr. John Silkin (left) welcoming Mr. Finn-Olaf Gundelach in Whitehall yesterday.

He said it was intolerable that the continuation of the EEC's agricultural policy was seriously threatened by a "gross infringement" of the rules.

The Dutch Minister said he trusted that the Commission would take steps to avoid national measures thwarting and dismantling the agricultural policy.

Holland's concern about the proposed U.K. measure is to a large extent clearly attributable to the sizeable Dutch exports to the U.K.

The U.K. took 47,000 tons of the 133,000 tons of meat and canned meat products exported by the Dutch last year. In addition almost all Dutch exports of bacon go to the U.K.

During his discussions with Mr. Gundelach on the EEC farm price review Mr. Silkin repeated the U.K.'s objective of restraint on the Community support prices for producers in structural surplus in order to hold down food prices to the housewife.

Farmers in aggressive mood

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE DEBATE on the future of Britain's marketing boards brought the rather mundane National Farmers' Union annual meeting in London to life yesterday.

Mr. Silkin said it was the unfair calculation of the EEC pig meat monetary compensatory amounts, which gave EEC exporters to the U.K. market an advantage over U.K. producers, which led to the introduction of the national aid for pig farmers.

Mr. Van Os reported from Amsterdam that Mr. A. Van Der Stee, the Dutch Farm Minister, had written to the Brussels Commission about the U.K. pig subsidy plan.

firm in their rejection of any suggestion that the boards should be tampered with. Calls to fight Brussels, to confront the EEC Commission with all the strength of the union, and a remark that if it could not have the board, there was no point in the Common Agricultural Policy were all warmly applauded.

The resolution was passed by a standing acclamation of a kind I have never seen at these meetings.

Lifeblood

It is ironic that Mr. John Silkin, the first Minister of Agriculture to pronounce himself unequivocally in favour of the maintenance of the Milk Marketing Board, should be attacked so stridently in the speeches deploring the alleged lack of confidence in farming, and his continued refusal to deviate from the board's policy.

If one read the mood of the speakers correctly they wanted higher prices all round and be-

Cocoa 'rescue' begins

By Richard Mooney

JACQUES BORIE, the Ivory Coast cocoa shippers, has made deliveries contracted for January delivery in line with the "rescue" agreement reached in Paris with its customers last month.

Borie revealed last year that it was not fully covered on 15,000 tonnes of cocoa sold before April, when prices were about £1,000 a tonne lower. An agreement was reached with the customers under which they would pay the current price for the contracted supplies, with Borie repaying the difference over the next seven years.

"Progress of deliveries is excellent and no problems are foreseen in maintaining deliveries of the whole 15,000 tonnes," Borie told Reuters.

Yesterday's announcement trimmed prices on the London futures market which had earlier recovered from a \$20 fall in line with the overnight trend in New York. The upward trend was re-established - helped by Paris rumours of a sharp rise in U.S. consumption - and by the close May cocoa was \$4.5 higher at \$2,227.4 a tonne.

Slow start to U.K. marketing season

BY BERNARD SIMON

THIS MONTH saw the arrival at Ordis, the London delegate of the Spanish Fruit Syndicate. The duty is 17 per cent on Ordis and Sunkist oranges from October to March, but only about 4 per cent from April onwards.

Israel - which supplies 40 per cent of Britain's citrus - has also shipped fewer oranges than during the same period last season. But prices, currently in the £3-£3.75 a case range, are down on last year. The Israeli Citrus Marketing Board reports that sales are starting to increase. It is hopeful of making last season's output of nearly 8m. tons.

Although producers hope demand and prices will improve in the months ahead the 1976-77 citrus season made a slow start in the U.K. and any significant improvement is considered unlikely.

fruit in their off-peak season. The duty is 17 per cent on Ordis and Sunkist oranges from October to March, but only about 4 per cent from April onwards.

The grapefruit market is also unsettled, mainly the result of a glut of poor quality Texan fruit. Compared with last season, the Israelis have shipped 10,000 more cases of grapefruit to Britain than in the previous season and prices are below last year's levels.

Although producers have had a quiet start to the season they point out that slack demand and relatively low prices are normal at this time of year. Some merchants are optimistic that the British market will be firmer later in the season.

But there are indications of a possible repetition of last year's over-supply crisis and fierce price cutting.

The equilibrium of the U.K. citrus market depends largely on a minimum export between the Mediterranean producers' season, running roughly from mid-October to mid-April, and sales of South African and U.S. fruit from April to September.

In normal years the surplus is reduced not only by seasonal variations but also by variable customs duties. These are higher on American and South African higher.

U.S. wool imports up sharply

WASHINGTON, Jan. 25

U.S. IMPORTS of raw wool more than doubled last year while exports were down, the U.S. Agriculture Department said.

In a summary of the world situation to be published on February 1, the USDA said up to the end of November apparel imports had increased 38.4m. lbs. clean content compared with 16.6m. for all 1975.

Carpet wool imports for the same period were 17.3m. lbs. against 15.3m. the previous year.

Raw wool exports from January to November were 1.1m. lbs. compared with 7.2m. in the same period in 1975.

Heavy rains

The season started with the usual shipments of Spanish fruit in mid-October. Since then imports from Spain have been only 900 tons higher than in the same period last year. There were increases of 5,000 and 2,000 tons in the previous two years. The small overall increase also marks a decline in orange shipments, compensated for by bigger imports of cheaper satsumas and clementines.

Despite a decline in supplies from Spain in recent weeks as a result of heavy rains, prices have been disappointing for producers.

In the last ten days of December wholesale prices were said to be not high enough to cover the cost of production. "People don't have that much money to buy fruit. Demand is less strong than last year," said Sr. Leopoldo.

New groves

The Israeli crop is marginally below last season's level. Spain's crop is about 12 per cent smaller. Early indications point to a similar output of the same order as last year's 40m. cases and an exceptionally large Californian harvest. The Sunkist organisation, which has increased British sales about 20 per cent annually in recent years, aims to sell 1.75m. cases this year and 2m. next year.

The Israeli hope to ship to the U.K. 100,000 cases (more than twice as much as last year) of their new tangerine and mandarin - based varieties. Should they be successful their citrus production will be extended by about a month. This is sure to give the Americans and South Africans some sleepless nights.

Sellers face an uphill struggle, however. Barring a disastrous season in a major producing country, citrus prices are unlikely to rise significantly. The danger of world over-production continues. New groves are being planted in Cuba, Greece, Italy, Turkey, Morocco and Italy among others.

The world orange crop averaged 22m. cases in 1976, up from 18.7m. in 1975. The preliminary estimate for 1975 was 33m. tons. Chances are last year's output was even higher.

Florida crops hit by severe frost

WASHINGTON, Jan. 25

Florida produces more oranges than Israel and Spain combined and growers have been worried for some time about the effect of constant over-production on prices. The latest U.S. Agriculture Department crop forecast for 1977 predicts a 15 per cent increase in production compared with last year.

Producers are saying that if, as estimated, the cold weather has wiped out about 30-40 per cent of the citrus crop that may be no bad thing.

has already affected orange juice futures and fruit and vegetable markets. It is expected to be noticed in supermarkets elsewhere in the U.S. by the end of this week.

Mr. Reuben Askew, the governor of Florida, has declared his state a disaster area and the Florida citrus commission has banned the export of all fruit for ten days so it can take stock of the situation.

There are, however, some signs that the picture may not be as bleak as has been painted.

Iron ore price rise needed in Australia

CANBERRA, Jan. 25

PRICE RISES to offset cost increases would be needed for any further significant expansion of Australian ore production capacity, the Bureau of Mineral Resources said.

Its latest quarterly review said that because of cost factors expansion would favour existing operators.

Nevertheless several new projects were proposed and specific conditions might arise which would tend to favour their establishment, Reuter.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER - Lower in the London Metal Exchange as the market passed after its recent rise. Despite a steady start at \$28 for forward metal in pre-market dealings, speculative liquidation and profit-taking dragged the price down. Settlement was steady in the East overnight. In the afternoon Comex traded lower and London closed on the Korb at \$296.75.

Commodity	Price
Copper	296.75
Aluminum	1015.00
Zinc	413.00
Lead	240.50
Tin	5317.50

GRAINS

Wheat - The market was quiet and steady in the afternoon. The price of No. 2 soft red winter wheat was 1.10 1/2.

Commodity	Price
Wheat	1.10 1/2
Corn	1.05
Soybeans	1.15

COFFEE

Coffee futures fluctuated in the afternoon under local dealer and speculative interest which pushed levels up to the 1976-77 level. The market closed at 121.50.

Commodity	Price
Coffee	121.50

PRICE CHANGES

Prices per ton unless otherwise stated

Commodity	Price
Wheat	1.10 1/2
Corn	1.05
Soybeans	1.15

COMMODITY ANALYSIS LIMITED

The first Quarterly Review of LME Non-Ferrous Metals by Commodity Analysis is now available.

You should read it.

For a copy ring 01-283 4801 or write to Ian Mackinnon

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PUBLIC NOTICES

METROPOLITAN BOROUGH OF WIRRAL

£1,000,000 bills issued today due 22 April 1977 at 10.00% Total applications: £5,000,000. Outstanding bills: £2,500,000.

STRATHFIELD REGIONAL COUNCIL

£1,000,000 bills issued today due 22 April 1977 at 10.00% Total applications: £5,000,000. Outstanding bills: £2,500,000.

CLYDE COUNTY COUNCIL

£1,000,000 bills issued today due 22 April 1977 at 10.00% Total applications: £5,000,000. Outstanding bills: £2,500,000.

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STOCK EXCHANGE REPORT

Gilt-edged higher again on money market indications Equities fade with index 0.1 off at 377.7 after 380.2

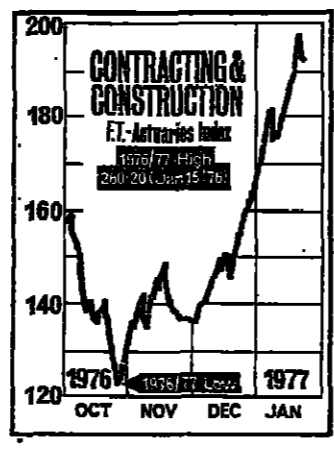
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FINANCIAL TIMES STOCK INDICES table with columns for various indices like FT 100, FT All-Share, etc.

HIGHS AND LOWS S.E. ACTIVITY table showing price ranges for various sectors.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Large table of Actuarial Share Indices with columns for Equity Groups, Fixed Interest, and various sub-sections.

ACTIVE STOCKS

Table of Active Stocks listing various companies like ICI, BP, and their stock prices.

Option Report — 3-month Call rates

Table of 3-month Call Rates for various companies and sectors.

Option Report — 3-month Call rates

Table of 3-month Call Rates for various companies and sectors.

NEW HIGHS AND LOWS FOR 1976/77

Table of New Highs and Lows for 1976/77 for various companies.

Option Report — 3-month Call rates

Table of 3-month Call Rates for various companies and sectors.

RISES AND FALLS

Table of Rises and Falls for various companies and sectors.

MONEY MARKET Interest rates decline

Bank of England Minimum Lending Rate 12 1/2 per cent... Short-term fixed period interest rates maintained a downward trend...

Table of Interest Rates for various financial instruments.

INSURANCE BASE RATES

Table of Insurance Base Rates for various insurance companies.

Lady Kemsley's £142,000 will

VISCOUNTESS KEMSLEY, who died in September, left £180,000 gross (£142,000 net) to her daughter...

BASE LENDING RATES

Table of Base Lending Rates for various banks.

CORAL INDEX

Close 375-380

INSURANCE BASE RATES

Table of Insurance Base Rates for various insurance companies.

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including Abbey Unit Tr. Mgrs. Ltd., Alliance Group, and various international and domestic funds.

REGIONAL MARKETS

Table showing regional market data for various areas, including London, Dublin, and other regional centers.

CLYDESDALE BANK

CLYDESDALE BANK LIMITED announces that, with effect from 26th January, 1977, its Base Rate for lending is being decreased from 14% to 13% per annum.

APOLLO

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COMPANY NOTICES

WEST RAND CONSOLIDATED MINES LIMITED. Incorporated in the Republic of South Africa. COUPON No. 91.

INSURANCE, PROPERTY, BONDS

Table listing insurance and financial services, including Abbey Life Assurance Co. Ltd., City of Westminster Assur. Co. Ltd., and various other providers.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including Artisan Securities (C.I.) Limited, Charterhouse Japhet, and various international investment vehicles.

PROPERTY, LIFE ASSURANCE, INVESTMENT

Table listing property, life assurance, and investment services, including Sun Alliance Fund Managers Ltd., and various other providers.

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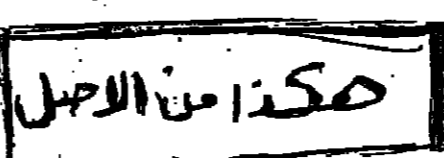
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NOTES. Prices do not include premium, except where indicated. Yield is shown in last column.





1 Canomile Street Telephone 01-625 7511
London EC3A 7JH Telex 8811181

FT SHARE INFORMATION SERVICE

HOTELS - Continued

BRITISH FUNDS

Stock	High	Low	Close	Chg	Div	Yield
British Funds	10.10	9.80	10.00	+0.20		
...

BANKS AND HIRE PURCHASE

Stock	High	Low	Close	Chg	Div	Yield
Bank of England	1.20	1.18	1.19	+0.01		
...

INTERNATIONAL BANK

Stock	High	Low	Close	Chg	Div	Yield
International Bank	1.50	1.48	1.49	+0.01		
...

CORPORATION LOANS

Stock	High	Low	Close	Chg	Div	Yield
Corporation Loans	1.20	1.18	1.19	+0.01		
...

COMMONWEALTH & AFRICAN LOANS

Stock	High	Low	Close	Chg	Div	Yield
Commonwealth & African Loans	1.10	1.08	1.09	+0.01		
...

FOREIGN BONDS & RAILS

Stock	High	Low	Close	Chg	Div	Yield
Foreign Bonds & Rails	1.30	1.28	1.29	+0.01		
...

AMERICANS

Stock	High	Low	Close	Chg	Div	Yield
American Funds	1.40	1.38	1.39	+0.01		
...

CANADIANS

Stock	High	Low	Close	Chg	Div	Yield
Canadian Funds	1.20	1.18	1.19	+0.01		
...

BUILDING INDUSTRY - Continued

Stock	High	Low	Close	Chg	Div	Yield
Building Industry	1.10	1.08	1.09	+0.01		
...

DRAPERY AND STORES - Continued

Stock	High	Low	Close	Chg	Div	Yield
Drapery and Stores	1.00	0.98	0.99	+0.01		
...

ENGINEERING - Continued

Stock	High	Low	Close	Chg	Div	Yield
Engineering	1.30	1.28	1.29	+0.01		
...

BEERS, WINES AND SPIRITS

Stock	High	Low	Close	Chg	Div	Yield
Beers, Wines & Spirits	1.10	1.08	1.09	+0.01		
...

CHEMICALS, PLASTICS

Stock	High	Low	Close	Chg	Div	Yield
Chemicals, Plastics	1.20	1.18	1.19	+0.01		
...

CINEMAS, THEATRES AND TV

Stock	High	Low	Close	Chg	Div	Yield
Cinemas, Theatres & TV	1.00	0.98	0.99	+0.01		
...

DRAPERY AND STORES

Stock	High	Low	Close	Chg	Div	Yield
Drapery and Stores	1.10	1.08	1.09	+0.01		
...

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	High	Low	Close	Chg	Div	Yield
Building Industry, Timber & Roads	1.20	1.18	1.19	+0.01		
...

ELECTRICAL AND RADIO

Stock	High	Low	Close	Chg	Div	Yield
Electrical and Radio	1.10	1.08	1.09	+0.01		
...

ENGINEERING, MACHINE TOOLS

Stock	High	Low	Close	Chg	Div	Yield
Engineering, Machine Tools	1.30	1.28	1.29	+0.01		
...

FOOD, GROCERIES, ETC.

Stock	High	Low	Close	Chg	Div	Yield
Food, Groceries, Etc.	1.00	0.98	0.99	+0.01		
...

HOTELS AND CATERERS

Stock	High	Low	Close	Chg	Div	Yield
Hotels and Caterers	1.10	1.08	1.09	+0.01		
...

INDUSTRIALS (Miscel)

Stock	High	Low	Close	Chg	Div	Yield
Industrial (Miscellaneous)	1.20	1.18	1.19	+0.01		
...

HOTELS AND CATERERS

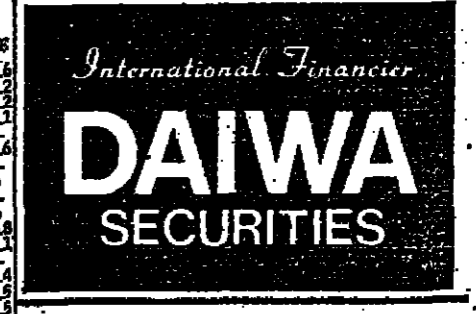
Stock	High	Low	Close	Chg	Div	Yield
Hotels and Caterers	1.10	1.08	1.09	+0.01		
...

CONVERSION FACTOR

Conversion factor 0.2500 (0.7500)

HOTELS - Continued

Hotel	Rate	Hotel	Rate
Adlon	100	Wilton	100
...



MINES—Continued

Table listing various mining stocks with columns for Stock, Price, Div, and Yld. Includes companies like Anglo American, De Beers, and others.

FAR WEST BAND

Table listing Far West Band stocks with columns for Stock, Price, Div, and Yld.

FINANCE

Table listing Finance stocks with columns for Stock, Price, Div, and Yld.

DIAMOND AND PLATINUM

Table listing Diamond and Platinum stocks with columns for Stock, Price, Div, and Yld.

CENTRAL AFRICAN

Table listing Central African stocks with columns for Stock, Price, Div, and Yld.

AUSTRALIAN

Table listing Australian stocks with columns for Stock, Price, Div, and Yld.

TINS

Table listing Tins stocks with columns for Stock, Price, Div, and Yld.

COPPER

Table listing Copper stocks with columns for Stock, Price, Div, and Yld.

MISCELLANEOUS

Table listing Miscellaneous stocks with columns for Stock, Price, Div, and Yld.

NOTES

Notes section containing various financial notices, interest rates, and company announcements.

TEAS

Table listing Teas stocks with columns for Stock, Price, Div, and Yld.

INDIA AND BANGLADESH

Table listing India and Bangladesh stocks with columns for Stock, Price, Div, and Yld.

AFRICA

Table listing Africa stocks with columns for Stock, Price, Div, and Yld.

MINES

Table listing Mines stocks with columns for Stock, Price, Div, and Yld.

CENTRAL BAND

Table listing Central Band stocks with columns for Stock, Price, Div, and Yld.

EASTERN BAND

Table listing Eastern Band stocks with columns for Stock, Price, Div, and Yld.

Abbreviations: Div = Dividend; Yld = Yield; etc.

TRUSTS—Continued table listing various trust and investment funds.

FINANCE, LAND, ETC. table listing various financial and land-related stocks.

SHIPPING table listing various shipping companies and services.

SHOES AND LEATHER table listing various shoe and leather goods.

SOUTH AFRICANS table listing various South African stocks.

TEXTILES table listing various textile and clothing companies.

PROPERTY table listing various real estate and property-related stocks.

TOBACCO table listing various tobacco companies.

TRUSTS, FINANCE, LAND table listing various trusts, finance, and land-related stocks.

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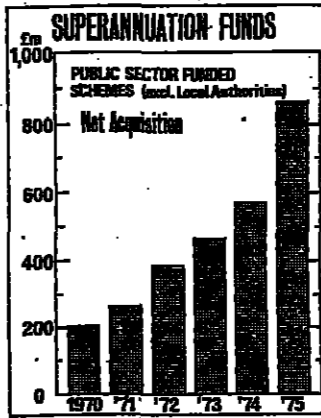
INDUSTRIALS—Continued table listing various industrial companies.

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THE LEX COLUMN

Test case for the trust sector

Index fell 0.1 to 377.7



the current year forecast, the offered price seems low. However, Dunford's high financial gearing will not be unwound by just one year's good trading. The group says it is confident that the traditional three good years of the alloy steel cycle have now commenced, in which case every-thing would be fine. But shareholders may reasonably feel reluctant to take this kind of risk with a group of Dunford's importance, and the case for accepting the bid is that its future will be more secure as part of a stronger financial grouping.

Interest rates Only last week, the Chancellor was reiterating his belief that the fall in interest rates would be slow at first, gathering pace later on. But events seem to be moving faster than anticipated and the authorities, while still calling for "moderation," now appear to be sitting on the sidelines.

After last week's record cut in Minimum Lending Rate, the money markets are signalling further cut of a half-point this week. There is no guidance from the Bank of England, even though it was leading to the discount houses, yesterday but gains of up to 3/4 of a point at the medium end, is betting on a cut in MLR of at least half a point.

Given the easier trend in interest rates, the 1 per cent clearing banks' base rate yesterday was not unexpected. MLR has dropped by 1/2 point since it posted a 1/4 per cent base rate at the end of October. For most of last year their base rates were below MLR, so the banks had little excuse for holding the rate up, especially since the building societies are so strapped for cash at the moment. The latter will all be pleased to see that the banks have widened the spread between their deposit and base rates to 3/4 points. Under the corset they have little interest in bidding for extra funds.

Clearing bank shares were to 10p down, ahead of announcements, but with the exception of Midland Bank ended a few pence higher the close of business. The effect of the change is to shift down expectations of 1977 profits growth from perhaps 10 per cent. But much will depend on how fast base rate declines in the next few months.

ence and various debentures are at a discount. The return will depend partly on how much scope for negotiation is left in these terms, and more generally on how much the poor relative price performance of investment trusts has tested the loyalty of Standard's many small shareholders.

Dunford & Elliott

Rumours of a counter offer pushed Dunford and Elliott 9p higher to 63p yesterday, which is an eighth more than Johnson and Firth Brown is offering. But any third party would certainly be leaving it very late. JFB's bid closes on Monday, and cannot be extended beyond the following Friday under the rules of the Takeover Code.

Both sides are now actively selling their case to the institutions and as things stand it looks like being a very close run thing. Just over 11 per cent of shareholders accepted J and F's first offer, and the group claims to have picked up around 15 per cent of the votes through the market. A straw poll yesterday suggested that a number of big shareholders are leaning in favour of the offer but the margin is narrow enough to suggest that a different sample could have produced another impression.

The current offer is not compelling on grounds of commercial logic—indeed this has been a secondary issue throughout the contest. Nor are the terms necessarily a knock-out. Shareholders would have accepted much less a few months ago when the price was down to 13p, but in relation to

CEGB offers regular orders from 1979

BY DAVID FISHLICK, SCIENCE EDITOR

THE CENTRAL Electricity Generating Board has reacted strongly to pressure from the plant manufacturing industry to place an order quickly for a further coal-fired plant at Drax in Yorkshire. Yesterday the Board released details of counter-proposals it has put to Government, undertaking to order new plant at a steady rate of two to three 660 MW sets annually for five years from the autumn of 1979 onwards.

But one of three crucial conditions attached to this offer is that the Board would "need to be assured that the rationalised plant manufacturing industry would be managerially, technically and financially viable so as to be able to build plant to time, to price and to performance specified," said Sir Arthur Hawkins, its chairman.

Sir Arthur acknowledged that the turbine maker C. A. Parsons, in particular, is pressing for a quick decision over Drax in the hope of avoiding the merger with GEC implied in any serious "rationalisation" of the U.K. industry.

But he also accepted that both Parsons in the north-east and Babcock and Wilcox on Clydeside have short-term problems of over-manning which could not be solved by his Board's. The Board itself would be taking some risk that growth in electricity demand would fall to justify such a rate of ordering.

But it is not a great risk, said Sir Arthur, and it is a risk which they were in such deep trouble as they were implying, although they undoubtedly had "too large a labour resource."

The counter-proposals amount to a forthright response to some rather ascerbic comments in the Think Tank's recent report on the power plant manufacturing industry, which criticised the Board for failing to take enough interest in the welfare of its suppliers. It is understood that the final report was much less critical than earlier drafts had been.

But Sir Arthur said yesterday that the Board had always been "seized with the importance" of placing a steady load on its suppliers.

He stressed that it was the sudden increase in the cost of energy, and not over-ordering by the Board in the 1960s, which had precipitated the troubles of its suppliers today.

The Board saw no case for ordering a 1,300 MW prototype turbo-generator—another Think Tank proposal—and it could be justified by the load growth which could be matched to a reactor of the same capacity.

Although in favour of mergers among its major suppliers, the Board does not believe that the inevitable extra cost incurred should fall on the CEGB—as was the case during the protracted rationalisation of the nuclear industry.

Zambia urges blacks to revolution inside Rhodesia

BY OUR FOREIGN STAFF

AMID A mood of growing black African belligerency, Zambia yesterday urged Rhodesian nationalists to step up the war against Rhodesia following the breakdown of efforts to reach a peaceful settlement while militant nationalists raised the possibility of Cuban involvement in the conflict.

In one of the country's toughest statements on the Rhodesia issue, Mr. Siteke Mwale, the Foreign Minister, said the rejection by Mr. Ian Smith, the Rhodesian Premier, of the British proposals for a settlement was "an open invitation to the freedom fighters to intensify the war."

The Minister also urged black Rhodesians inside the country to revolt against the Smith regime and to acts of sabotage to liberate themselves.

Mr. Reuben Kamanga, a senior member of Zambia's ruling party speaking apparently for President Kenneth Kaunda, said that the rejection by Mr. Smith amounted to a declaration of war on Africa.

The Liberation Committee of the Organisation of African Unity meeting in Lusaka later said that the "war" was a very decisive action to intensify the war.

Mr. William Eteki-Mboumoua, the OAU's secretary-general, who said: "Africa is now obliged to consider seriously the strengthening of the liberation struggle."

Essentially the most ominous development, however, was a claim by nationalists in the Zambian capital that Cuban military advisers are playing a bigger role in training guerrillas from the camps of Mr. Robert Mugabe and Mr. Joshua Nkomo whose joint demands within the Patriotic Front coalition were rejected by Mr. Smith.

Court order ends occupation of Massey Ferguson tractor plant

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

STRIKERS at Massey Ferguson yesterday ended their occupation of the company's Coventry tractor plant following a High Court order granting the company repossession.

Fears that the 1,150 workers, on strike for a month, would risk a confrontation with the police proved groundless.

News of the Court decision was conveyed by a police superintendent to pickets barricaded inside the Banner Lane plant. They quickly removed chains from the main gates and began to clear obstructions.

In spite of their withdrawal—and lack of support from the majority of Massey Ferguson workers—the men are determined to continue the strike, Mr. Ken Tyrell, chairman of the strike committee, said last night. Peaceful picketing would continue outside the gates.

to prevent another occupation, the company was yesterday photographing all employees supposed to be at work. They are to be issued with identity cards, and admission will be refused to the strikers.

The company rejected a claim by Mr. Tyrell that the extra could be construed as a lock-out.

Both sides in the dispute have taken entrenched positions, and union officials are pessimistic about an early settlement.

Mr. Tyrell said: "It is quite clear that the company is out to crush us, and our members are equally determined." A meeting of the strikers today will discuss a recommendation from their stewards to prolong the dispute. The company insists that a precondition for any negotiations is that the 136 assembly workers at the centre of the dispute not only return to work, but that they will give sufficient effort to meeting pro-

Foot opposes poll on independence

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT is strongly opposed to asking Scottish and Welsh voters a separate question on whether they want independence from the U.K. in the forthcoming referendum on devolution.

A section of Labour back-benchers—as well as the Welsh Nationalists and, to a lesser extent, the Scottish counter-parts—are in favour of such a move on the ground that it would settle the separatist issue once and for all.

However, Mr. Michael Foot, the party's deputy leader and the Minister in overall charge of the devolution legislation, made clear his hostility at a meeting of MPs yesterday. At the same time he scotched any lingering hopes that the Cabinet might refer instead of after the Bill has cleared its passage through Parliament.

One Scots back-bencher, Mr. Norman Buchan (Renfrew West), argued yesterday that, although it was unlikely that the Scots would opt for independence, they should be given the choice, rather than be left with the occasion to grumble bitterly and endlessly. It is a risk, however small, that Mr. Foot does not want to take.

Proposals for the referendum would be put before the Commons very soon. His present thinking is that the count should provide for a regional breakdown of the vote in Scotland, and a referendum along the lines of the Common Market referendum of 1975. But no vote should be held in England, in his view.

The attendance of only 25 MPs at yesterday's meeting did not

Case to buy 40% Poclair stake

BY DAVID CURRY

THE U.S. GROUP, J. I. Case, a subsidiary of Tenneco, is to buy 40 per cent of the French company Poclair, the world's leading manufacturer of hydraulic excavators. The French Government's attempt to find a French solution to Poclair's problems has been unsuccessful.

Tenneco will subscribe Frs.185m for new shares at about Frs.150 per share, and also acquire certain unannounced overseas assets of Poclair to take its total investment in the French company to Frs.325m. (about \$40m.).

As a result of the agreement, which must now be ratified by the French and U.S. authorities and by shareholders, the Battaille family, which founded Poclair 50 years ago, will see its stake shrink from about 43 to 30 per cent.

There will be no immediate management changes, which means that the Battaille brothers will remain respectively chairman, managing director, and director for South America of the company.

J. I. Case is a 100 per cent subsidiary of the Tenneco group. Its turnover is about \$1.2bn. divided equally between France and

ment and the public works sector. Sales of the Poclair parent company are around Frs.1.4bn. annually with group sales closer to Frs.2bn. More than 70 per cent of Case's sales are in North America but it has been expanding aggressively in Europe; one of its subsidiaries is David Brown Tractors in the U.K.

The French company has been on the financial sick-list for two years, since the world economic recession caused a sharp contraction in its markets, while the company was in the full flood of expansion.

It depends on construction and public work for about two-thirds of its sales.

The recession hit it on top of sharply increased competition in the U.S. market from U.S. companies which had just moved into hydraulics, increased com-

prevent the deep doubts in Labour's ranks over the whole devolution exercise from surfacing. A leading opponent of the Bill, Mr. Leo Abse (Pontypool), claimed that most Labour MPs were hostile and were being dragged through the lobbies by the Government whips.

His belief that a referendum would show that most people in Wales were against the Bill. If the people of Scotland wanted independence they could demonstrate this wish by sending more Nationalist members to Westminster.

Worker directors poll

worker and shareholder directors and a third group of co-opted members. An Industrial Democracy Commission would supervise implementation of this system.

The main reason given by respondents for wanting worker directors is increased efficiency, with 49 per cent claiming it would make companies more efficient and only 19 per cent not.

A quarter interviewed felt it would have no effect either way. A total of 17 per cent, though having worker directors would lead to more pay, though among trade union members only 13 per cent expected this result.

Only 13 per cent expected fewer strikes. About 17 per cent expected higher job security. Of those opposed 33 per cent felt the average worker had not sufficient knowledge and 24 per cent failed to see its relevance to them. Some 15 per cent of working adults interviewed and 17 per cent of trade unionists were happy with the existing situation or felt management should be left to do the job.

Mr. ePeter Walker, a former Conservative Industry Minister, claimed yesterday the majority finding of the committee was not democratic.

"To extend still further the powers and influence of existing trade union leaders rather than extending the powers and influence of the totality of employees is the major weakness of the report."

Cheaper borrowing

by the absence of any signals from the Bank indicating its intentions on interest rates, suggesting that at present the authorities were prepared to let the market take its course—although it was pointed out that they could intervene to make their feelings known later in the week.

The official attitude may be partly related to the continuing demand for sterling in the foreign exchange markets, which yesterday enabled the Bank to gain to take in foreign currency to rebuild the reserves.

The intervention prevented too sharp a rise in the exchange rate, but the pound closed with a gain of 9 points at \$1.7194 with its effective depreciation from December 1971 levels narrowing from 42.8 per cent to 42.4 per cent.

The decision by the banks to cut base rates by 1 per cent indicated that they had been convinced that the general level of rates was being established at a new lower level with the prospect of more cuts to come. It was rather bigger than the banks had previously been expected to make at a time when they remain uncertain about the impact on their operations of the need to keep within current

corset restrictions on their growth.

Mr. John Montgomery, chief general manager of Lloyds Bank, the first of the big four to announce the cut, said: "Interest rates in the interbank market appear to have settled at a level which now justifies a reduction of 1 per cent in our base rate."

There were signs, however, that National Westminster, which followed later, was less convinced of the case for a cut of 1 per cent, at a time when the bank was facing the impact of its lending of tax payments by its customers.

Mr. Alex Dibbs, the NatWest chief executive, pointed out that short-term interest rates had been kept relatively high as a result of shortages in the money markets, and said that the official restraint on the banks "not only restricts our ability to increase our lending to customers, but also affects the relationship between base rate and deposit rate."

WORKER DIRECTORS QUESTIONNAIRE. Questions: Responses %: All working adults, Trade Union Members, Non-trade Union Members. Do you think Workers Directors are: A good idea 54, Not a good idea 32, Don't know 14. Do you think the system should be: Introduced by law 13, Introduced voluntarily 82, Don't know 5.

Source: Market Research Society

Continued from Page 1

Weather

U.K. TODAY MAINLY showery with bright intervals. Rain becoming brighter. Max. 10c (50F). S.W., England Channel Isles, S. Wales Showers, heavy at times, bright intervals. Max. 10c (50F). Midlands, Cent. N., N.E. England Bright intervals, showers. Max. 9c (48F). N. Wales, N.W. England, Lakes, I. of Man, S.W., N.W. Scotland, Argyll, N. Ireland Showers, heavy at times, bright intervals. Max. 7-8c (45F). Borders, Edinburgh, Dundee, Aberdeen Highlands Bright intervals, showers. Max. 6c (43F). Moray Firth, N.E. Scotland, Orkney, Shetland Showers, heavy at times, bright intervals. Max. 6c (43F). Outlook: Showers, longer period of rain. Lighting-up: London 17.09, Manchester 17.04, Glasgow 17.00, Belfast 17.13.

BUSINESS CENTRES

Table with columns: City, Mid-day, Yr. Mid-day. Includes cities like Alexandria, Amsterdam, Athens, etc.

HOLIDAY RESORTS

Table with columns: City, Day, Night. Includes resorts like Abasco, Alder, Blackpool, etc.

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